

103D CONGRESS  
2D SESSION

# S. 1795

To amend title IV of the Social Security Act and other provisions to provide reforms to the welfare system in effect in the United States.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1994

Mr. BROWN (for himself, Mr. DOLE, Mr. PACKWOOD, Mr. D'AMATO, Mr. SIMPSON, Mr. WARNER, Mr. GRAMM, Mr. STEVENS, Mr. COCHRAN, Mr. MCCAIN, Mr. GORTON, Mr. BURNS, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. NICKLES, Mrs. HUTCHISON, and Mr. PRESSLER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title IV of the Social Security Act and other provisions to provide reforms to the welfare system in effect in the United States.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Welfare Reform Act  
5 of 1994".

6 **SEC. 2. REFERENCES IN ACT; TABLE OF CONTENTS.**

7 (a) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-  
8 cept as otherwise specifically provided, whenever in this

1 Act an amendment is expressed in terms of an amendment  
 2 to or repeal of a section or other provision, the reference  
 3 shall be considered to be made to that section or other  
 4 provision of the Social Security Act.

5 (b) TABLE OF CONTENTS.—The table of contents is  
 6 as follows:

Sec. 1. Short title.

Sec. 2. References in Act; table of contents.

#### TITLE I—APPLICANT JOB SEARCH, VOUCHER PROGRAM, TRANSITION AND WORK PROGRAM, ETC.

Sec. 101. Applicant job search requirement.

Sec. 102. Employment voucher programs.

Sec. 103. Transition and work components added to jobs program.

Sec. 104. Sanctions for failure to participate in jobs program.

Sec. 105. Persons exempted from participation in jobs program.

Sec. 106. Increase in required jobs participation rates.

Sec. 107. Payments to States.

Sec. 108. Effective date.

#### TITLE II—PROVISIONS RELATING TO PATERNITY ESTABLISHMENT

Sec. 201. Reduction of AFDC for parent or guardian of children whose paternity is not established.

Sec. 202. Earlier paternity establishment efforts by States.

Sec. 203. Increase in paternity establishment percentage.

Sec. 204. Effective date.

#### TITLE III—CHILD SUPPORT ENFORCEMENT

Sec. 301. State information systems.

Sec. 302. National information systems.

Sec. 303. Income withholding.

Sec. 304. Uniform terms in orders.

Sec. 305. Work requirement for noncustodial parents with child support arrearages.

Sec. 306. Effective date.

#### TITLE IV—EXPANSION OF STATUTORY FLEXIBILITY OF STATES

Sec. 401. Option to increase or decrease payments based on preventive health care and immunizations for children.

Sec. 402. Option to increase or decrease payments based on attendance at educational institutions and participation in vocational or technical training.

Sec. 403. Option to deny AFDC for additional children.

Sec. 404. Option to provide married couple transition benefit.

Sec. 405. Option to treat interstate immigrants under rules of former State.

- Sec. 406. Option to require attendance at parenting and money management classes.
- Sec. 407. Option to deny AFDC eligibility to certain teenagers; requirement that teenagers eligible for AFDC live at home.
- Sec. 408. Disregard of education and employment training savings for AFDC eligibility.
- Sec. 409. Effective date.

#### TITLE V—EXPEDITED STATE WAIVER AUTHORITY

- Sec. 501. Interagency Waiver Request Board.
- Sec. 502. Application to implement assistance plans.
- Sec. 503. Review and approval of applications; waivers.
- Sec. 504. Implementation of assistance plans; evaluations.
- Sec. 505. Public-private partnership committees.
- Sec. 506. Definitions.
- Sec. 507. Reports.
- Sec. 508. Sunset.

#### TITLE VI—WELFARE RESTRICTIONS FOR ALIENS

- Sec. 601. Eligibility of certain aliens for certain Federal benefits.
- Sec. 602. State AFDC agencies required to provide information on illegal aliens to the Immigration and Naturalization Service.

#### TITLE VII—MISCELLANEOUS

- Sec. 701. Restriction on payment of benefits to individuals confined by court order to public institutions pursuant to verdicts of not guilty by reason of insanity or other mental disorder.
- Sec. 702. AFDC recipients required to undergo necessary substance abuse treatment as a condition of receiving AFDC.
- Sec. 703. Evaluation of education and training programs.
- Sec. 704. Fraud and administrative efficiency.
- Sec. 705. SSI benefits for drug and alcohol addicts.
- Sec. 706. State fraud control programs.

## 1 **TITLE I—APPLICANT JOB** 2 **SEARCH, VOUCHER PRO-** 3 **GRAM, TRANSITION AND** 4 **WORK PROGRAM, ETC.**

### 5 **SEC. 101. APPLICANT JOB SEARCH REQUIREMENT.**

6 (a) IN GENERAL.—Section 402(a) (42 U.S.C.  
7 602(a)) is amended—

8 (1) by striking “and” at the end of paragraph  
9 (44);

1 (2) by striking the period at the end of para-  
2 graph (45) and inserting “; and”; and

3 (3) by inserting after paragraph (45) the fol-  
4 lowing new paragraph:

5 “(46) provide that—

6 “(A) an individual applying for aid under  
7 the plan shall conduct job search activities, as  
8 determined appropriate by the State, while such  
9 individual’s application for aid is pending; and

10 “(B) the State agency shall reimburse the  
11 applicant for necessary transportation and child  
12 care expenses incurred as a result of such ac-  
13 tivities.”.

14 (b) CONFORMING AMENDMENTS.—Section 482(g)(2)  
15 (42 U.S.C. 682(g)(2)) is amended—

16 (1) by striking “applying for or” in the matter  
17 preceding subparagraph (A); and

18 (2) in subparagraph (A)—

19 (A) by striking “applies for aid” and in-  
20 serting “begins receiving aid”; and

21 (B) by striking “in making a determina-  
22 tion of an individual’s eligibility for such aid  
23 or”.



1 **SEC. 102. EMPLOYMENT VOUCHER PROGRAMS.**

2 (a) IN GENERAL.—Section 402(a) (42 U.S.C.  
3 602(a)), as amended by section 101, is amended—

4 (1) by striking “and” at the end of paragraph  
5 (45);

6 (2) by striking the period at the end of para-  
7 graph (46) and inserting “; and”; and

8 (3) by inserting after paragraph (46) the fol-  
9 lowing new paragraph:

10 “(47) provide that the State has in effect an  
11 employment voucher program which meets the re-  
12 quirements of part G.”.

13 (b) VOUCHER PROGRAM.—Title IV (42 U.S.C. 601  
14 et seq.) is amended by adding at the end the following  
15 new part:

16 “PART G—EMPLOYMENT VOUCHER PROGRAMS

17 “ESTABLISHMENT OF STATE PROGRAMS

18 “SEC. 491. (a) IN GENERAL.—As a condition of its  
19 participation in the program for aid to families with de-  
20 pendent children under part A, each State shall establish  
21 an employment voucher program (in this part referred to  
22 as the ‘program’) which meets the requirements of this  
23 part.

24 “(b) REQUIREMENT ON SECRETARY.—The Secretary  
25 shall consult with the Secretary of Labor and the Sec-  
26 retary of Agriculture on the requirements imposed on

1 States under this part and criteria for determining wheth-  
 2 er such requirements are met.

3 “ADMINISTRATION OF STATE PROGRAMS

4 “SEC. 492. The State agency responsible for the ad-  
 5 ministration of the State’s program under this part shall  
 6 be—

7 “(1) a new State agency created by the State,  
 8 or

9 “(2) a State agency selected by the State from  
 10 among—

11 “(A) the State agency that administers or  
 12 supervises the administration of the State’s  
 13 plan approved under section 402,

14 “(B) the State agency that administers or  
 15 supervises the administration of the food stamp  
 16 program under the Food Stamp Act of 1977,  
 17 and

18 “(C) the State department of labor.

19 “STATE PROGRAMS DESCRIBED

20 “SEC. 493. (a) PROGRAM VOUCHER REQUIRE-  
 21 MENTS.—

22 “(1) IN GENERAL.—The State shall make  
 23 vouchers in the amount determined under paragraph  
 24 (2) available to eligible individuals. If an eligible in-  
 25 dividual obtains employment such vouchers—

1           “(A) shall be given by such individual to  
2           the individual’s employer during the first year  
3           of employment; and

4           “(B) shall be in lieu of any benefits de-  
5           scribed in paragraph (2) which the individual  
6           would otherwise be eligible to receive.

7           “(2) AMOUNT OF VOUCHER.—The amount of  
8           the voucher for an eligible individual is equal to—

9           “(A) for each month of the first 6 month  
10          period of employment, the sum of—

11          “(i) the monthly amount that would  
12          otherwise be payable as aid to families  
13          with dependent children to the family of  
14          such individual, and

15          “(ii) the monthly cash value of the  
16          food stamp benefits that would otherwise  
17          be available to such individual’s household,  
18          determined as of the first day of the first full  
19          month of the employment of such individual by  
20          a qualified employer; and

21          “(B) for each month of the second 6  
22          month period of employment, 50 percent of the  
23          sum of the amounts determined under clauses  
24          (i) and (ii) of subparagraph (A).

1       “(b) ELIGIBLE INDIVIDUALS.—For purposes of this  
2 part, an individual is eligible for a voucher under the State  
3 program if such individual is eligible for and receiving as-  
4 sistance under—

5               “(1) the aid to families with dependent children  
6 program under this title; or

7               “(2) the food stamp program under the Food  
8 Stamp Act of 1977.

9       “(c) QUALIFIED EMPLOYERS.—

10              “(1) For purposes of this part, and subject to  
11 paragraph (2), an employer is qualified to receive  
12 payments under this part for an eligible individual  
13 employed by such employer if the employer submits  
14 a monthly report to the State agency selected by the  
15 State under section 492 (in a form and in such  
16 manner as the State agency requires) certifying  
17 that—

18              “(A) the employment of the eligible indi-  
19 vidual complies with the rules described in sub-  
20 sections (b) and (c) (without regard to the last  
21 sentence thereof) of section 484,

22              “(B) gross wages (as defined in section  
23 209 but without regard to any dollar limitation  
24 contained in such section) earned by such eligi-  
25 ble individual and paid to such eligible individ-



1 ual by the employer during such month were  
2 not less than the greater of—

3 “(i) 200 percent of the amount of the  
4 voucher of such individual, or

5 “(ii) the product of the greater of the  
6 Federal minimum wage or the applicable  
7 State minimum wage and the number of  
8 hours worked by such individual, and

9 “(C) with respect to such wages, the em-  
10 ployer was not receiving any wage subsidy  
11 under any other provision of Federal law, in-  
12 cluding part F of this title.

13 “TREATMENT OF WAGES

14 “SEC. 494. Under the State program wages paid to  
15 an eligible individual by a qualified employer shall be con-  
16 sidered earned income for purposes of any provision of  
17 law, except that such wages shall not be taken into ac-  
18 count in determining the eligibility of such individual for  
19 the programs described in paragraphs (1) and (2) of sec-  
20 tion 493(b) during the first year of the individual’s em-  
21 ployment with the employer.

22 “PROVISION OF PROGRAM INFORMATION

23 “SEC. 495. The State agency (directly and through  
24 the other State agencies described in paragraphs (1) and  
25 (2) of section 492) shall inform all eligible individuals of

1 the State program and the application procedures for such  
2 program.

3 "USE OF FEDERAL FUNDS

4 "SEC. 496. Notwithstanding any other provision of  
5 law, for purposes of computing the amount of the Federal  
6 payment to a State with respect to any voucher amount  
7 determined under section 493(a)(2), such amount shall be  
8 treated as if paid to the eligible individual under the appli-  
9 cable program."

10 (c) CONFORMING AMENDMENTS.—

11 (1) FOOD STAMP ACT.—Section 16 of the Food  
12 Stamp Act of 1977 (7 U.S.C. 2025) is amended by  
13 adding at the end the following new subsection:

14 "(1) If a State agency of a State informs the Sec-  
15 retary that an individual who is participating in the em-  
16 ployment voucher program carried out under part G of  
17 title IV of the Social Security Act is a member of a house-  
18 hold that participates in the food stamp program—

19 "(1) the Secretary shall pay to the State an  
20 amount equal to the value of the food stamp benefits  
21 the household is otherwise eligible to receive under  
22 this Act; and

23 "(2) the State shall expend the amount in ac-  
24 cordance with such part rather than for food stamp  
25 benefits the household would receive but for the op-  
26 eration of this subsection."

(2) TARGETED JOBS CREDIT.—Section 51(c)(2)(B) of the Internal Revenue Code of 1986 is amended by striking “482(e)” and inserting “482(e) or part G of title IV”.

**SEC. 103. TRANSITION AND WORK COMPONENTS ADDED TO JOBS PROGRAM.**

(a) ESTABLISHMENT AND OPERATION OF PROGRAM.—

(1) TRANSITION AND WORK COMPONENTS.—

Section 482 (42 U.S.C. 682) is amended by adding at the end the following new subsection:

“(j) TRANSITION AND WORK COMPONENTS.—

“(1) IN GENERAL.—The program under this part must include—

“(A) a transition component that—

“(i) must include the job search program established by the State under subsection (g);

“(ii) must include the employment voucher program established by the State under part G; and

“(iii) may include any other service, activity, or program of the State that is referred to in subsection (d)(1) (excluding the programs referred to in subclauses

1 (III) and (IV) of subsection (d)(1)(A)(ii));  
 2 and

3 “(B) a work component that—

4 “(i) must include a work  
 5 supplementation program operated by the  
 6 State under subsection (e);

7 “(ii) must include a community work  
 8 experience program established by the  
 9 State under subsection (f);

10 “(iii) must include the employment  
 11 voucher program established by the State  
 12 under part G; and

13 “(iv) may include any other work pro-  
 14 gram of the State that is approved by the  
 15 Secretary.

16 “(2) PARTICIPATION REQUIREMENTS.—

17 “(A) TRANSITION COMPONENT.—

18 “(i) HOURS OF PARTICIPATION.—  
 19 Each individual participating in the transi-  
 20 tion component must participate in activi-  
 21 ties under such component for an average  
 22 of not fewer than 20 hours per week.

23 “(ii) LIMIT ON PARTICIPATION.—

24 “(I) IN GENERAL.—If an individ-  
 25 ual has participated in the transition



1 component for 24 months, aid under  
2 the State plan payable to the family  
3 in which such individual is a member  
4 shall be reduced by the amount alloca-  
5 ble to such individual unless the indi-  
6 vidual finds gainful employment or is  
7 participating in the work component  
8 of the program under this part.

9 “(II) STATE OPTION.—At the op-  
10 tion of the State, the number of  
11 months of participation under  
12 subclause (I) may be reduced to a  
13 number of months not less than 12.

14 “(iii) SATISFACTION OF REQUIRE-  
15 MENT.—The State, in consultation with  
16 the Secretary, shall establish guidelines for  
17 determining whether an individual has sat-  
18 isfied the requirement under clause (i). In  
19 the case of educational activities, such  
20 guidelines shall provide that an individual  
21 who is enrolled full-time in a program of  
22 study at an educational institution (includ-  
23 ing a vocational or technical training  
24 school), as determined by the institution,  
25 and is making satisfactory progress in the

1 program of study, as determined by the in-  
 2 stitution, is to be regarded as satisfying  
 3 such requirement so long as the determina-  
 4 tions by the institution are made in accord-  
 5 ance with such rules as the Secretary may  
 6 prescribe (including rules governing how  
 7 time spent in such a program of study is  
 8 to be converted into hours of participation  
 9 in the transition component).

10 “(B) WORK COMPONENT.—

11 “(i) HOURS OF PARTICIPATION.—At  
 12 the option of the State, each individual  
 13 participating in the work component must  
 14 participate—

15 “(I) in work activities for an av-  
 16 erage of not fewer than 35 hours per  
 17 week; or

18 “(II) in work activities for an av-  
 19 erage of not fewer than 30 hours per  
 20 week and job search activities for an  
 21 average of not fewer than 8 hours per  
 22 week.

23 “(ii) LIMIT ON PARTICIPATION.—

24 “(I) IN GENERAL.—If an individ-  
 25 ual has participated in the transition

1 component and the work component  
2 for 24 months, at the option of the  
3 State, aid under the State plan pay-  
4 able to the family in which such indi-  
5 vidual is a member may be reduced by  
6 the amount allocable to such individ-  
7 ual and the individual may be prohib-  
8 ited from further participation.

9 “(II) EXCEPTION.—Notwith-  
10 standing subclause (I), each individual  
11 shall be permitted to participate in  
12 the work component for at least 12  
13 months without a reduction in bene-  
14 fits under subclause (I).

15 “(C) ELIGIBILITY FOR MEDICAID.—If aid  
16 under the State plan is reduced under subpara-  
17 graph (A)(ii) or (B)(ii) with respect to an indi-  
18 vidual, such individual shall, for purposes of  
19 medical assistance under the State plan under  
20 title XIX, be deemed to be a recipient of aid  
21 under such State plan for so long as the family  
22 in which such individual is a member is other-  
23 wise eligible for aid under such State plan.”.

24 (2) EMPLOYABILITY PLAN.—

1           (A) DETERMINATION OF PARTICIPATION  
2           IN TRANSITION OR WORK COMPONENT.—Sec-  
3           tion 482(b)(1)(A) (42 U.S.C. 682(b)(1)(A)) is  
4           amended by inserting after the first sentence  
5           the following new sentence: “If, based on such  
6           assessment, the State agency determines that a  
7           participant is employable, such participant shall  
8           be assigned to the work component of the pro-  
9           gram under this part.”.

10           (B) SPECIFICATION IN PLAN OF PARTICI-  
11           PATION IN TRANSITION OR WORK COMPO-  
12           NENT.—The first sentence of section  
13           482(b)(1)(B) (42 U.S.C. 682(b)(1)(B)) is  
14           amended to read as follows: “On the basis of  
15           such assessment, the State agency, in consulta-  
16           tion with the participant, shall develop an em-  
17           ployability plan for the participant which shall  
18           specify whether the participant is participating  
19           in the transition component or the work compo-  
20           nent under this part.”.

21           (C) LIMIT ON PARTICIPATION IN TRANSI-  
22           TION COMPONENT.—Section 482(b)(1) (42  
23           U.S.C. 682(b)(1)) is amended by inserting the  
24           following new sentence after the second sen-  
25           tence in subparagraph (B): “The plan shall in-



1           clude a statement explaining that participation  
2           in the transition component of the program  
3           under this part shall be for an average of at  
4           least 20 hours per week during a period of up  
5           to 24 months and upon the expiration of such  
6           period, aid under the State plan may be re-  
7           duced unless the individual finds gainful em-  
8           ployment or is participating in the work compo-  
9           nent of the program under this part.”.

10                   (D) INTERIM ASSESSMENT UNDER TRANSI-  
11           TION COMPONENT.—Section 482(b) (42 U.S.C.  
12           682(b)) is amended—

13                   (i) by redesignating paragraph (3) as  
14           paragraph (4); and

15                   (ii) by inserting after paragraph (2),  
16           the following new paragraph:

17           “(3) After a participant has participated in the tran-  
18           sition component of the program for a period of 6 months,  
19           the State shall make an assessment to determine whether  
20           the participant is making clear and substantial progress  
21           toward employment. The State, in consultation with the  
22           Secretary, shall establish guidelines for making determina-  
23           tions under this paragraph.”.

1                   (E) DETERMINATION OF EMPLOY-  
2                   ABILITY.—Section 482(b) (42 U.S.C. 682(b)) is  
3                   amended—

4                   (i) by redesignating paragraph (4) as  
5                   paragraph (5); and

6                   (ii) by inserting after paragraph (3),  
7                   the following new paragraph:

8           “(4) If, at any time during a participant’s participa-  
9           tion in the transition component of the program, the State  
10           agency determines that such participant is employable,  
11           such participant shall be assigned to the work component  
12           of the program.”.

13           (b) COMMUNITY WORK EXPERIENCE PROGRAM  
14           AMENDMENTS.—Section 482(f)(1) (42 U.S.C. 682(f)(1))  
15           is amended—

16           (1) by striking subparagraph (B);

17           (2) by redesignating subparagraphs (C), (D),  
18           and (E) as subparagraphs (B), (C), and (D).

19           (c) WORK SUPPLEMENTATION PROGRAM AMEND-  
20           MENTS.—

21           (1) AUTHORITY OF STATES TO ASSIGN PARTICI-  
22           PANTS TO UNFILLED JOBS.—Section 484(c) (42  
23           U.S.C. 684(c)) is amended by striking the last sen-  
24           tence.

(2) AUTHORITY OF STATES TO USE SUMS THAT  
WOULD OTHERWISE BE EXPENDED FOR FOOD  
STAMP BENEFITS TO PROVIDE SUBSIDIZED JOBS  
FOR PARTICIPANTS.—

(A) IN GENERAL.—Section 482(e)(1) (42  
U.S.C. 682(e)(1)) is amended—

(i) by inserting “, and the sums that  
would otherwise be used to provide partici-  
pants in the program under this subsection  
with food stamp benefits under the Food  
Stamp Act of 1977,” before “and use”;  
and

(ii) by inserting “and the food stamp  
benefits that would otherwise be so pro-  
vided to them” before the period.

(B) SUBSIDIES PROVIDED TO EMPLOYERS  
AND INCLUDED IN WAGES OF PARTICIPANTS;  
MINIMUM EMPLOYER CONTRIBUTION.—Section  
482(e)(3) (42 U.S.C. 682(e)(3)) is amended by  
adding at the end the following new para-  
graphs:

“(E) Each State operating a work supplementation  
program under this subsection shall enter into an agree-  
ment with the employer who is to provide an eligible indi-

1   vidual with a supplemented job under the program, under  
2   which—

3           “(i) the State is required to pay the employer  
4           an amount specified in the agreement as the sub-  
5           sidized portion of the wages of the eligible individ-  
6           ual; and

7           “(ii) the employer is required to pay the eligible  
8           individual wages which, when added to an amount  
9           that will be payable as aid to families with depend-  
10          ent children to the individual if the individual is paid  
11          such wages, are not less than 100 percent of the  
12          sum of—

13           “(I) the amount that would otherwise be  
14           payable as aid to families with dependent chil-  
15           dren to the eligible individual if the State did  
16           not have a work supplementation program  
17           under this subsection in effect; and

18           “(II) if the State elects to subsidize jobs  
19           for participants in the program through the res-  
20           ervation of sums that would otherwise be used  
21           to provide such participants with food stamp  
22           benefits under the Food Stamp Act of 1977,  
23           the amount paid to the State by the Secretary  
24           of Agriculture that represents the cash value of  
25           the food stamp benefits for which the household



1 of the eligible individual is a member is eligible  
2 under such Act.

3 “(F) For purposes of computing the amount of the  
4 Federal payment to a State under paragraph (1) or (2)  
5 of section 403(a), for expenditures incurred in making  
6 payments to individuals and employers under the State’s  
7 work supplementation program under this section, the  
8 State may claim as such expenditures the maximum  
9 amount payable to the State under paragraph (4) of this  
10 subsection.

11 “(G) Notwithstanding paragraph (1), a State may  
12 use for any purpose the sums reserved under paragraph  
13 (1) which are not used to subsidize jobs under this sub-  
14 section attributable to savings achieved by operation of  
15 subparagraph (E).”.

16 (C) CONFORMING AMENDMENT.—Section  
17 482(e)(3)(A) (42 U.S.C. 682(e)(3)(A)) is  
18 amended by striking the second sentence.

19 (D) EMPLOYMENT CASHOUT OF FOOD  
20 STAMP BENEFITS.—Section 16 of the Food  
21 Stamp Act of 1977 (7 U.S.C. 2025), as amend-  
22 ed by section 102(c), is amended by adding at  
23 the end the following new subsection:

24 “(m) If a State agency of a State that makes the  
25 election described in section 482(e)(3)(E)(ii)(II) of the So-

1 cial Security Act informs the Secretary that an individual  
2 who is participating in the work supplementation program  
3 carried out under section 482(e) of such Act is a member  
4 of a household that participates in the food stamp pro-  
5 gram and all the members of the household receive bene-  
6 fits under a State plan approved under part A of title IV  
7 of such Act—

8 “(1) the Secretary shall pay to the State an  
9 amount equal to the value of the food stamp benefits  
10 the household is eligible to receive under this Act;

11 “(2) the State shall expend the amount in ac-  
12 cordance with section 482(e)(3) of the Social Secu-  
13 rity Act to make a payment to the individual in lieu  
14 of food stamp benefits the household would receive  
15 but for the operation of this subsection;

16 “(3) for purposes of—

17 “(A) sections 5 and 8(a) of this Act, the  
18 amount shall be excluded from household in-  
19 come and resources; and

20 “(B) section 8(b) of this Act, the amount  
21 shall be considered as the value of an allotment  
22 provided to the household; and

23 “(4) the household shall not receive food stamp  
24 benefits from the State agency for the period during

1       which the member continues to participate in the  
2       work supplementation program.”.

3   **SEC. 104. SANCTIONS FOR FAILURE TO PARTICIPATE IN**  
4       **JOBS PROGRAM.**

5       (a) IN GENERAL.—Section 402(a)(19)(G)(ii) (42  
6 U.S.C. 602(a)(19)(G)(ii)) is amended to read as follows:

7               “(ii) any sanction described in clause  
8               (i) shall continue—

9                       “(I) in the case of the individ-  
10                      ual’s first failure to comply, until the  
11                      failure to comply ceases or 3 months  
12                      (whichever is longer);

13                     “(II) in the case of the individ-  
14                     ual’s second failure to comply, until  
15                     the failure to comply ceases or 6  
16                     months (whichever is longer); and

17                     “(III) in the case of the individ-  
18                     ual’s third failure to comply, until the  
19                     failure to comply ceases or 12 months  
20                     (whichever is longer);”.

21       (b) ROLLING SANCTIONS.—Section 402(a)(19)(G)  
22 (42 U.S.C. 602(a)(19)(G)) is amended by redesignating  
23 clauses (iii) and (iv) as subclauses (iv) and (v) and by in-  
24 serting after clause (ii) the following new clause:

1                   “(iii)(I) any first failure to comply de-  
 2                   scribed in clause (ii)(I) that continues for  
 3                   more than 3 months shall be considered a  
 4                   second failure to comply described in  
 5                   clause (ii)(II); and

6                   “(II) any second failure to comply de-  
 7                   scribed in clause (ii)(II) that continues for  
 8                   more than 6 months shall be considered a  
 9                   third failure to comply described in clause  
 10                  (ii)(III);”.

11           (c)       REPRESENTATIVE       PAYEES.—Section  
 12 402(a)(19)(G)(i)(I) (42 U.S.C. 602(a)(19)(G)(i)(I)) is  
 13 amended by striking “unless the State agency, after mak-  
 14 ing reasonable efforts, is unable to locate an appropriate  
 15 individual to whom such payments can be made” and in-  
 16 serting “(in the case of an individual’s first or second fail-  
 17 ure to comply, payments in such form shall be made only  
 18 if determined appropriate by the State)”.

19 **SEC. 105. PERSONS EXEMPTED FROM PARTICIPATION IN**  
 20 **JOBS PROGRAM.**

21           (a) IN GENERAL.—Section 402(a)(19)(C) (42 U.S.C.  
 22 602(a)(19)(C)) is amended to read as follows:

23                   “(C) that an individual may not be re-  
 24                   quired to participate in the program—



1                   “(i) if the individual is ill, incapacitated,  
2                   tated, or of advanced age;

3                   “(ii) if the individual works 35 or  
4                   more hours per week;

5                   “(iii) if the individual is a child who  
6                   is under age 16 and attends, full-time, an  
7                   elementary, secondary, or vocational (or  
8                   technical) school;

9                   “(iv) if the individual is providing full-  
10                  time care for a disabled dependent of the  
11                  individual;

12                  “(v) at the option of the State, if the  
13                  individual is making progress in a substance  
14                  abuse treatment program, unless  
15                  this clause has been applied to the individual  
16                  for 12 months;

17                  “(vi) during the 6-month period after  
18                  the individual gives birth to the first child  
19                  born to the individual after becoming eligible  
20                  for aid under this part;

21                  “(vii) during the 4-month period after  
22                  the individual gives birth to the second or  
23                  subsequent child born to the individual  
24                  after becoming eligible for aid under this  
25                  part; or

1                   “(viii) if the individual resides in an  
2                   area of the State where the program is not  
3                   available.”.

4           (b)       CONFORMING        AMENDMENT.—Section  
5 402(a)(19)(G)(v) (42 U.S.C. 602(a)(19)(G)(v)), as redес-  
6 igned by subsection (b)(2), is amended—

7                   (A) in the matter preceding subclause (I),  
8                   by striking “—”;

9                   (B) by striking subclause (I); and

10                  (C) in subclause (II), by striking “(II)”.

11 **SEC. 106. INCREASE IN REQUIRED JOBS PARTICIPATION**  
12 **RATES.**

13           (a) INCREASE IN REQUIRED JOBS PARTICIPATION  
14 RATES.—Section 403(l)(3) (42 U.S.C. 603(l)(3)) is  
15 amended—

16                  (1) in subparagraph (A)—

17                   (A) by amending clauses (i) through (vi) to  
18                   read as follows:

19                   “(i) with respect to all individuals eligible for  
20                   aid under the State plan who applied for such aid  
21                   before October 1, 1994—

22                   “(I) 7 percent if the preceding fiscal year  
23                   is 1990;

24                   “(II) 7 percent if such year is 1991;

25                   “(III) 11 percent if such year is 1992;

1 “(IV) 11 percent if such year is 1993;

2 “(V) 15 percent if such year is 1994;

3 “(VI) 20 percent if such year is 1995;

4 “(VII) 20 percent if such year is 1996;

5 “(VIII) 20 percent if such year is 1997;

6 and

7 “(IX) 20 percent if such year is 1998;

8 “(ii) with respect to all individuals eligible for  
9 aid under the State plan who applied for such aid  
10 on or after October 1, 1994, and before October 1,  
11 1998—

12 “(I) 20 percent if such year is 1995;

13 “(II) 30 percent if such year is 1996;

14 “(III) 40 percent if such year is 1997; and

15 “(IV) 50 percent if such year is 1998; and

16 “(iii) with respect to all individuals eligible for  
17 aid under the State plan who applied for such aid  
18 on or after October 1, 1998—

19 “(I) 60 percent if such year is 1999;

20 “(II) 70 percent if such year is 2000;

21 “(III) 80 percent if such year is 2001; and

22 “(IV) 90 percent if such year is 2002.”;

23 and

24 (2) in subparagraph (B)(ii)(IV), by striking  
25 “and 1995” and inserting “through 2002”.

1 (b) PARTICIPATION RATES OF UNEMPLOYED PAR-  
2 ENTS.—

3 (1) IN GENERAL.—Section 402(a)(19)(D) (42  
4 U.S.C 602(a)(19)(D)) is amended to read as follows:

5 “(D) that, notwithstanding subparagraph  
6 (B), in the case of a family eligible for aid to  
7 families with dependent children by reason of  
8 the unemployment of the parent who is the  
9 principal earner, members of such family shall  
10 participate in the program in accordance with  
11 section 403(l)(4);”.

12 (2) PARTICIPATION DESCRIBED.—Section  
13 403(l)(4)(A) (42 U.S.C. 603(l)(4)(A)) is amended to  
14 read as follows:

15 “(4)(A) In the case of any family eligible for aid to  
16 families with dependent children by reason of the unem-  
17 ployment of the parent who is the principal earner, the  
18 State—

19 “(i) shall require one parent to participate in  
20 the work component of the program, and

21 “(ii) may require one parent to participate in  
22 the transition component of the program.

23 In the case of a parent under age 25 who has not com-  
24 pleted high school or an equivalent course of education,  
25 the State may require such parent to participate in edu-



1 cational activities directed at the attainment of a high  
2 school diploma (or equivalent) or another basic education  
3 program, in lieu of any requirement under the preceding  
4 sentence.”.

5 (3) REQUIRED PARTICIPATION RATES.—Section  
6 403(l)(4)(B) (42 U.S.C. 603(l)(4)(B)) is amended—

7 (A) in the matter preceding clause (i), by  
8 striking “subparagraph (A)” and inserting  
9 “subparagraph (A)(i)”;

10 (B) in clause (iii), by striking “and”;

11 (C) in clause (iv), by striking “each of the  
12 fiscal years 1997 and 1998.” and inserting “fis-  
13 cal year 1997; and”; and

14 (D) by adding at the end the following:

15 “(v) 90 percent in the case of the average of  
16 each month in fiscal year 1998.”.

17 (4) CONFORMING AMENDMENTS.—Section  
18 403(l)(4)(D) (42 U.S.C. 603(l)(4)(D)) is amended—

19 (A) by striking “subparagraph (A)” each  
20 place it appears and inserting “subparagraph  
21 (A)(i)”;

22 (B) by striking “he” each place it appears  
23 and inserting “the Secretary”.

1           (5) EXTENSION TO ALL STATES OF OPTION TO  
2       LIMIT AFDC-UP.—Section 407(b)(2)(B) (42 U.S.C.  
3       607(b)(2)(B)) is amended by striking clause (iii).

4   **SEC. 107. PAYMENTS TO STATES.**

5       Section 403 (42 U.S.C. 603) is amended by adding  
6   at the end the following new subsection:

7       “(o)(1) Except as provided in paragraph (3), each  
8   State which has been paid under subsection (l) for a fiscal  
9   year an amount equal to the limitation determined under  
10   subsection (k)(2) for the fiscal year shall, in addition to  
11   any payment under subsection (a) or (l), be entitled to  
12   a payment from the Secretary in an amount equal to the  
13   sum of—

14       “(A) 50 percent of the expenditures of the  
15   State for administrative costs incurred in operating  
16   the program under part F during the fiscal year  
17   (other than personnel costs for staff employed in the  
18   operation of the program) with respect to which pay-  
19   ment has not been made under subsection (l); and

20       “(B) except as provided in paragraph (2), the  
21   greater of 70 percent or the Federal medical assist-  
22   ance percentage (as defined in section 1118 in the  
23   case of a State to which section 1108 applies, or as  
24   defined in section 1905(b) in the case of any other  
25   State) of the other expenditures of the State in-

1       curred in operating the program under part F dur-  
2       ing the fiscal year with respect to which payment  
3       has not been made under subsection (l).

4       “(2)(A) Notwithstanding paragraph (1)(B), the Sec-  
5       retary shall pay to a State an amount equal to 50 percent  
6       of the expenditures of the State incurred in operating the  
7       program under part F during a fiscal year and with re-  
8       spect to which payment has not been made under sub-  
9       section (l) if the State’s participation rate (determined  
10      under subparagraph (B) of this paragraph) for the imme-  
11      diately preceding fiscal year is less than—

12           “(i) 15 percent if the preceding fiscal year is  
13      1994;

14           “(ii) 20 percent if such year is 1995;

15           “(iii) 30 percent if such year is 1996;

16           “(iv) 40 percent if such year is 1997;

17           “(v) 50 percent if such year is 1998;

18           “(vi) 60 percent if such year is 1999;

19           “(vii) 70 percent if such year is 2000;

20           “(viii) 80 percent if such year is 2001; and

21           “(ix) 90 percent if such year is 2002.

22       “(B)(i) The State’s participation rate for a fiscal year  
23      shall be the number, expressed as a percentage, equal to—

1           “(I) the number of individuals who participated  
2       in the State’s program under part F in the year; di-  
3       vided by

4           “(II) the number of individuals required to par-  
5       ticipate in the program in the year (including indi-  
6       viduals with respect to whom the State has exercised  
7       its option to require their participation).

8           “(ii) For purposes of this subparagraph, an individ-  
9       ual shall not be considered to have satisfactorily partici-  
10      pated in the program under part F solely by reason of  
11      the individual being registered to participate in the pro-  
12      gram.

13          “(C) For purposes of this paragraph, an individual  
14      shall be considered to have participated in the program  
15      under part F if the individual has participated in accord-  
16      ance with such requirements, consistent with regulations  
17      of the Secretary, as the State shall establish.

18          “(D)(i) If the Secretary determines that a State has  
19      failed to achieve the participation rate for any fiscal year  
20      specified in subparagraph (A), then, subject to clause (ii),  
21      the Secretary may waive, in whole or in part, the reduction  
22      in the payment rate otherwise required by such subpara-  
23      graph (A) if the Secretary finds that the State—

24           “(I) is in conformity with section 402(a)(19)  
25      and part F;



“(II) has made a good faith effort to achieve the applicable participation rate for such fiscal year; and

“(III) has submitted a proposal which is likely to achieve the applicable participation rate for the current fiscal year and any succeeding fiscal year so specified.

“(ii) The Secretary may not grant a waiver to any State under clause (i) for more than 12 months (whether or not consecutive) in any 48-month period.

“(3)(A) For fiscal years 1996, 1997, and 1998, the amount paid to a State by the Secretary under paragraph (1) shall not exceed the amount that bears the same ratio to the amount specified in subparagraph (B) for the fiscal year as the average monthly number of adult recipients (as defined in subsection (k)(4)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

“(B) The amount specified in this subparagraph is—

“(i) \$300,000,000 for fiscal year 1996;

“(ii) \$1,000,000,000 for fiscal year 1997; and

“(iii) \$1,900,000,000 for fiscal year 1998.”.

#### **SEC. 108. EFFECTIVE DATE.**

(a) **IN GENERAL.**—Except as provided in subsection (b), the amendments made by this title shall take effect

1 on the first day of the first fiscal year beginning after the  
2 date of the enactment of this Act.

3 (b) DELAY IF STATE LEGISLATION REQUIRED.—In  
4 the case of a State which the Secretary determines re-  
5 quires State legislation (other than legislation authorizing  
6 or appropriating funds) in order to comply with the  
7 amendments made by this title, the State shall not be re-  
8 garded as failing to comply with such amendments solely  
9 on the basis of its failure to meet the requirements of such  
10 amendments before the first day of the first calendar  
11 quarter beginning after the close of the first regular ses-  
12 sion of the State legislature that begins after the date of  
13 the enactment of this Act. For purposes of the preceding  
14 sentence, in the case of a State that has a 2-year legisla-  
15 tive session, each year of such session shall be deemed to  
16 be a separate regular session of the State legislature.

## 17 **TITLE II—PROVISIONS RELAT-** 18 **ING TO PATERNITY ESTAB-** 19 **LISHMENT**

### 20 **SEC. 201. REDUCTION OF AFDC FOR PARENT OR GUARDIAN** 21 **OF CHILDREN WHOSE PATERNITY IS NOT ES-** 22 **TABLISHED.**

23 (a) FAMILIES APPLYING FOR AFDC.—Section  
24 402(a) (42 U.S.C. 602(a)), as amended by sections 101  
25 and 102, is amended—

1           (1) by striking “and” at the end of paragraph  
2           (46);

3           (2) by striking the period at the end of para-  
4           graph (47) and inserting “; and”; and

5           (3) by inserting after paragraph (47) the fol-  
6           lowing new paragraph:

7           “(48) unless the State has enacted a law ex-  
8           empting itself from the application of this para-  
9           graph, provide that—

10           “(A) except as provided in subparagraph  
11           (B), if a family applying for aid under this part  
12           includes a child with respect to whom paternity  
13           has not been established, aid paid to such fam-  
14           ily under the State plan for any month shall be  
15           reduced by the amount of such aid allocable to  
16           the parent or guardian of such child until—

17           “(i) paternity has been acknowledged  
18           by the father of such child;

19           “(ii) a paternity suit has been insti-  
20           tuted with respect to such child; or

21           “(iii) such parent or guardian dem-  
22           onstrates to the satisfaction of the State  
23           that the father of such child is dead or  
24           missing;

25           “(B) subparagraph (A) shall not apply if—

1                   “(i) the child was conceived as a re-  
2                   sult of rape or incest;

3                   “(ii) the State determines that efforts  
4                   to establish paternity would result in phys-  
5                   ical danger to a member of the family  
6                   claiming aid under this part; or

7                   “(iii) the State, with the approval of  
8                   the Secretary, determines that a reduction  
9                   in such aid would impose an undue hard-  
10                  ship on the family claiming such aid; and

11                  “(C) if it is determined that the individual  
12                  named as the father in a paternity suit insti-  
13                  tuted under clause (ii) of subparagraph (A) is  
14                  not the father of the child referred to in such  
15                  subparagraph, aid paid to the child’s family  
16                  under the State plan for any month shall be—

17                  “(i) reduced by the amount of such  
18                  aid allocable to the parent or guardian of  
19                  such child in accordance with such sub-  
20                  paragraph; and

21                  “(ii) made in the form of payments  
22                  described in section 406(b)(2).”.

23                  (b) ALL FAMILIES.—

24                  (1) IN GENERAL.—Section 402(a)(48) (42  
25                  U.S.C. 602(a)(46)), as added by subsection (a), is



1 amended by striking “applying for aid under this  
2 part”.

3 (2) EFFECTIVE DATE.—

4 (A) IN GENERAL.—Except as provided in  
5 subparagraph (B), the amendment made by  
6 paragraph (1) shall take effect on the first day  
7 of the second fiscal year beginning after the  
8 date of the enactment of this Act.

9 (B) DELAY IF STATE LEGISLATION RE-  
10 QUIRED.—In the case of a State which the Sec-  
11 retary determines requires State legislation  
12 (other than legislation authorizing or appro-  
13 priating funds) in order to comply with the  
14 amendments made by paragraph (1), the State  
15 shall not be regarded as failing to comply with  
16 such amendments solely on the basis of its fail-  
17 ure to meet the requirements of such amend-  
18 ments before the first day of the first calendar  
19 quarter beginning after the close of the first  
20 regular session of the State legislature that be-  
21 gins after the date of the enactment of this Act.  
22 For purposes of the preceding sentence, in the  
23 case of a State that has a 2-year legislative ses-  
24 sion, each year of such session shall be deemed

1           to be a separate regular session of the State  
2           legislature.

3   **SEC. 202. EARLIER PATERNITY ESTABLISHMENT EFFORTS**  
4           **BY STATES.**

5           Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended  
6   by adding at the end the following new subparagraph:

7           “(I) Procedures under which a pregnant, un-  
8       married woman is provided information regarding  
9       potential ineligibility for, or reductions in, benefits  
10      under Federal and State programs, including the aid  
11      to families with dependent children program under  
12      part A, if such woman fails to establish, or cooperate  
13      in the establishment of, the paternity of the child.”.

14   **SEC. 203. INCREASE IN PATERNITY ESTABLISHMENT PER-**  
15           **CENTAGE.**

16           Section 452(g)(1) (42 U.S.C. 652(g)(1)), as amended  
17   by section 13721(a) of the Omnibus Budget Reconciliation  
18   Act of 1993, is amended—

19           (1) in the matter preceding subparagraph (A),  
20       by striking “on or after October 1, 1994” and in-  
21       serting “after the date of the enactment of the Wel-  
22       fare Reform Act of 1994”; and

23           (2) by striking subparagraphs (A) through (E)  
24       and inserting the following:

25           “(A) 90 percent;

1           “(B) for a State with a paternity establishment  
2           percentage of not less than 50 percent but less than  
3           90 percent for such fiscal year, the paternity estab-  
4           lishment percentage of the State for the immediately  
5           preceding fiscal year plus 6 percentage points; or

6           “(C) for a State with a paternity establishment  
7           percentage of less than 50 percent for such fiscal  
8           year, the paternity establishment percentage of the  
9           State for the immediately preceding fiscal year plus  
10          10 percentage points.”.

11 **SEC. 204. EFFECTIVE DATE.**

12          (a) IN GENERAL.—Except as provided in section  
13 201(b) and subsection (b), the amendments made by this  
14 title shall take effect on the first day of the first fiscal  
15 year beginning after the date of the enactment of this Act.

16          (b) DELAY IF STATE LEGISLATION REQUIRED.—In  
17 the case of a State which the Secretary determines re-  
18 quires State legislation (other than legislation authorizing  
19 or appropriating funds) in order to comply with the  
20 amendments made by this title, the State shall not be re-  
21 garded as failing to comply with such amendments solely  
22 on the basis of its failure to meet the requirements of such  
23 amendments before the first day of the first calendar  
24 quarter beginning after the close of the first regular ses-  
25 sion of the State legislature that begins after the date of

1 the enactment of this Act. For purposes of the preceding  
 2 sentence, in the case of a State that has a 2-year legisla-  
 3 tive session, each year of such session shall be deemed to  
 4 be a separate regular session of the State legislature.

## 5 **TITLE III—CHILD SUPPORT** 6 **ENFORCEMENT**

### 7 **SEC. 301. STATE INFORMATION SYSTEMS.**

8 (a) STATE REGISTRIES OF CHILD SUPPORT OR-  
 9 DERS.—Section 466(a) (42 U.S.C. 666(a)), as amended  
 10 by section 13721(b)(3) of the Omnibus Budget Reconcili-  
 11 ation Act of 1993, is amended by inserting after para-  
 12 graph (11) the following new paragraph:

13 “(12) Procedures under which the State shall  
 14 designate a public agency to maintain a child sup-  
 15 port order registry, which must include—

16 “(A) a copy of each child support order  
 17 being enforced under the State plan; and

18 “(B) at the request of an individual who  
 19 has or is owed a legal obligation to provide child  
 20 support (within the meaning of section 462(b)),  
 21 a copy of the order that imposes the obliga-  
 22 tion.”.

23 (b) ACCESSIBILITY OF STATE INFORMATION RELAT-  
 24 ED TO CHILD SUPPORT.—



1           (1) TO OTHER STATES.—Section 466(a) (42  
2       U.S.C. 666(a)), as amended by subsection (a), is  
3       amended by inserting after paragraph (12) the fol-  
4       lowing new paragraph:

5           “(13)(A) Procedures requiring all records of the  
6       State to which the agency administering the plan  
7       has access and determines may be useful in locating  
8       noncustodial parents or collecting child support to be  
9       made accessible to any agency of any State for such  
10      purpose through the Interstate Locate Network es-  
11      tablished under section 453(g) in accordance with  
12      regulations promulgated by the Secretary which pro-  
13      hibit the release of any information that might jeop-  
14      ardize the safety of any individual.

15          “(B) The State may impose reasonable fees for  
16      access to State records provided pursuant to sub-  
17      paragraph (A).”.

18          (2) TO PRIVATE PARTIES.—Section 466(a) (42  
19      U.S.C. 666(a)), as amended by subsection (a) and  
20      paragraph (1), is amended by inserting after para-  
21      graph (13) the following new paragraph:

22          “(14) Procedures under which—

23              “(A) noncustodial parents (and their des-  
24              ignees) must be given access to State parent lo-  
25              cator services to aid in the establishment or en-

1            enforcement of visitation rights in accordance  
2            with regulations promulgated by the Secretary  
3            which prohibit the release of any information  
4            that might jeopardize the safety of any individ-  
5            ual; and

6            “(B) custodial parents (and their des-  
7            ignees) must be given access to State parent lo-  
8            cator services to aid in the establishment and  
9            enforcement of child support obligations against  
10           noncustodial parents.”.

11 **SEC. 302. NATIONAL INFORMATION SYSTEMS.**

12        (a) **EXPANSION OF PARENT LOCATOR SERVICE.—**

13        Section 453 (42 U.S.C. 653) is amended—

14            (1) in subsection (a)—

15                    (A) by inserting “(1)” after “transmit”;  
16                    and

17                    (B) by striking “enforcing support obliga-  
18                    tions against such parent” and inserting “es-  
19                    tablishing parentage, establishing, modifying,  
20                    and enforcing child support obligations, and (2)  
21                    to any noncustodial parent (or the designee of  
22                    the noncustodial parent) information as to the  
23                    whereabouts of the custodial parent when such  
24                    information is to be used to locate such parent

1           for the purpose of enforcing child visitation  
2           rights and obligations”;

3           (2) in subsection (b), by inserting after the 2nd  
4           sentence the following: “Information shall not be  
5           disclosed to a custodial parent or a noncustodial par-  
6           ent if it is demonstrated to the satisfaction of the  
7           State that the disclosure would jeopardize the safety  
8           of any individual.”;

9           (3) in subsection (d), by inserting “and such  
10          reasonable fees” after “such documents”; and

11          (4) by striking “absent parent” each place such  
12          term appears and inserting “noncustodial parent”.

13          (b) ESTABLISHMENT OF INTERSTATE LOCATE NET-  
14          WORK.—Section 453 (42 U.S.C. 653) is amended by add-  
15          ing at the end the following new subsection:

16          “(g) The Secretary shall establish an Interstate Lo-  
17          cate Network linking the Parent Locator Service and all  
18          State databases relating to child support enforcement  
19          which shall promote efforts to locate any noncustodial par-  
20          ent who has a legal obligation to provide child support (as  
21          defined in section 462(b)) or any custodial parent against  
22          whom visitation rights are being enforced by providing on-  
23          line computer access to the records of any Federal, State,  
24          or other source of child support information.”.

1 (c) INFORMATION SHARING REGULATIONS.—Section  
2 452(a) (42 U.S.C. 652(a)) is amended—

3 (1) by striking “and” at the end of paragraph  
4 (9);

5 (2) by striking the period at the end of para-  
6 graph (10)(I) and inserting “; and”;

7 (3) by inserting the following new paragraph  
8 immediately after paragraph (10)(I):

9 “(11) prescribe regulations governing informa-  
10 tion sharing among States, within States, and be-  
11 tween the States and the Parent Locator Service—

12 “(A) to require a State that is attempting  
13 to locate a noncustodial parent or collect child  
14 support—

15 “(i) to compare all outstanding cases  
16 with information in the employment  
17 records of the State; and

18 “(ii) if, after complying with clause  
19 (i), the State is unable to locate the  
20 noncustodial parent or collect the child  
21 support, then—

22 “(I) if the State has reason to  
23 believe that the noncustodial parent is  
24 in another particular State or States,  
25 to request such State or States for in-



1 formation on the noncustodial parent;  
 2 and

3 “(II) if the State does not have  
 4 reason to believe that the noncustodial  
 5 parent is in another particular State  
 6 or States, to broadcast to all States a  
 7 request for such information; and

8 “(B) to ensure that if a State broadcasts  
 9 a request for information for the purpose of lo-  
 10 cating a noncustodial parent or collecting child  
 11 support under subparagraph (A), such State  
 12 will receive a response to the request in not  
 13 more than 48 hours.”;

14 (4) by moving the last sentence 2 ems to the  
 15 left; and

16 (5) by striking “such report under subpara-  
 17 graph (A)” and inserting “report under paragraph  
 18 (10)(A)” in the last sentence.

19 **SEC. 303. INCOME WITHHOLDING.**

20 (a) **STATE ROLE.**—Section 466(a) (42 U.S.C.  
 21 666(a)), as amended by subsections (a) and (b) of section  
 22 301, is amended by inserting after paragraph (14) the fol-  
 23 lowing new paragraph:

24 “(15) Procedures under which the State shall  
 25 designate a public agency to—

1                   “(A) collect child support pursuant to the  
2                   State plan; and

3                   “(B) distribute, in accordance with section  
4                   457, the amounts collected as child support.

5                   “(16) Procedures under which the State shall  
6                   require any court of the State that establishes or  
7                   modifies a child support order to transmit a copy of  
8                   the order to the State agency designated pursuant to  
9                   paragraph (17), unless the order does not provide  
10                  for income withholding, and the noncustodial parent  
11                  and the custodial parent object.

12                  “(17) Procedures under which the State shall  
13                  designate a State agency to use the uniform income  
14                  withholding order developed under section  
15                  452(a)(12) in connection with the State’s child sup-  
16                  port collection efforts.”.

17                  (b) UNIFORM WITHHOLDING ORDER.—Section  
18                  452(a) (42 U.S.C. 652(a)), as amended by section 302(c),  
19                  is amended—

20                   (1) by striking “and” at the end of paragraph  
21                   (10);

22                   (2) by striking the period at the end of para-  
23                   graph (11) and inserting “; and”; and

24                   (3) by inserting after paragraph (11) the fol-  
25                   lowing new paragraph:

“(12) develop a uniform order to be used in all cases in which income is to be withheld for the payment of child support, which shall—

“(A) contain the name of the individual whose income is to be withheld, the amount of income to be withheld, the number of children covered by the order, and the individual or State to whom the withheld income is to be paid; and

“(B) be in a form which allows for the service of the order on all sources of income.”.

(c) STATES REQUIRED TO HAVE LAWS REQUIRING EMPLOYERS TO WITHHOLD CHILD SUPPORT PURSUANT TO UNIFORM INCOME WITHHOLDING ORDERS.—Section 466(b) (42 U.S.C. 666(b)(1)) is amended—

(1) in paragraph (1)—

(A) by inserting “and in the case of each other individual employed in the State,” before “so much”; and

(B) by striking “parent’s” and inserting “parent’s or individual’s”;

(2) in paragraph (6)(C), by inserting “of this paragraph and paragraph (9)(B) of this subsection” after “(A)”; and

(3) in paragraph (9)—

1 (A) by inserting “(A)” after “(9)”; and

2 (B) by adding at the end the following new  
3 subparagraph:

4 “(B)(i) If an individual or entity engaged in  
5 commerce receives an income withholding order de-  
6 veloped under section 452(a)(12) and issued by a  
7 court or State agency of any State with respect to  
8 an employee of such individual or entity, such indi-  
9 vidual or entity shall—

10 “(I) immediately provide a copy of the  
11 order to the employee subject to the order; and

12 “(II) within 10 days after receipt of the  
13 order, withhold income from the employee in  
14 the manner described in paragraph (6)(A)(i) of  
15 this subsection, notwithstanding paragraph (4)  
16 of this subsection.

17 “(ii) Such an order may be served on the indi-  
18 vidual or entity directly or by first-class mail.

19 “(iii) Any individual or entity who in good faith  
20 complies with such an order may not be held liable  
21 for wrongful withholding of income from the em-  
22 ployee subject to the order.

23 “(iv) The State shall impose a civil fine on any  
24 individual or entity which, due to negligence, fails to  
25 comply with an order with respect to an employee



within 10 days after receipt of such order. Such civil fine shall be in an amount equal to the lesser of—

“(I) average cost of noncompliance (as determined by the State); or

“(II) \$25 for each act or omission constituting noncompliance.

“(v) Any individual or entity who imposes a fee for the administration of child support income withholding and related reporting of information shall not collect more than the average cost of such administration, as determined by the State.”.

#### **SEC. 304. UNIFORM TERMS IN ORDERS.**

Section 452(a) (42 U.S.C. 652(a)), as amended by sections 302 and 303, is amended—

(1) in paragraph (11), by striking “and” after the semicolon;

(2) in paragraph (12), by striking the period at the end of the 2nd sentence and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(13) develop, in conjunction with State executive and judicial organizations, a uniform child support order for use by all State courts which shall include—

1           “(A) the date support payments are to  
2           begin under the order;

3           “(B) the circumstances upon which sup-  
4           port payments are to end under the order;

5           “(C) the amount of child support payable  
6           pursuant to the order expressed as a sum cer-  
7           tain to be paid on a monthly basis, arrearages  
8           expressed as a sum certain as of a certain date,  
9           and any payback schedule for the arrearages;

10          “(D) whether the order awards support in  
11          a lump sum (nonallocated) or per child;

12          “(E) if the award is in a lump sum, the  
13          event causing a change in the support award  
14          and the amount of any change;

15          “(F) other expenses covered by the order;

16          “(G) the names of the parents subject to  
17          the order;

18          “(H) the social security account numbers  
19          of the parents;

20          “(I) the name, date of birth, and social se-  
21          curity account number (if any) of each child  
22          covered by the order;

23          “(J) the identification (FIPS code, name,  
24          and address) of the court that issued the order;

“(K) any information on health care support required by the order; and

“(L) the party to contact if additional information is obtained.”.

**SEC. 305. WORK REQUIREMENT FOR NONCUSTODIAL PARENTS WITH CHILD SUPPORT ARREARAGES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 301 and 303, is amended by inserting after paragraph (17) the following new paragraph:

“(18) Procedures requiring that—

“(A) upon a determination by the State agency referred to in section 402(a)(3) that the noncustodial parent of any child who is applying for or receiving aid under the State plan approved under part A owes child support (as defined section 462(b)) with respect to the child, is in arrears in the payment of such support in an amount that is not less than twice the amount of the monthly child support obligation, and is not subject to a court-approved plan for payment of such arrearage, the State agency referred to in section 402(a)(3) shall send to the noncustodial parent a letter notifying the noncustodial parent that the noncustodial parent—

1                   “(i) is required to pay child support  
2                   with respect to the child; and

3                   “(ii) is subject to fines and other pen-  
4                   alties for failure to pay the full amount of  
5                   such support in a timely manner; and

6                   “(B) except with respect to a noncustodial  
7                   parent described in subparagraph (A) who is  
8                   employed or incapacitated—

9                   “(i) if, by the end of the 30-day pe-  
10                  riod that begins with the date the letter is  
11                  sent pursuant to subparagraph (A), the  
12                  amount of the arrearage has not decreased  
13                  by at least a percentage amount specified  
14                  by the State agency, the State shall seek a  
15                  court order requiring the noncustodial par-  
16                  ent to participate in a job search program  
17                  established by the State, for not less than  
18                  2 weeks and not more than 4 weeks; and

19                  “(ii) if, by the end of the 30-day pe-  
20                  riod beginning on the date the order under  
21                  subparagraph (B) is entered, the amount  
22                  of the arrearage has not decreased by at  
23                  least a percentage amount specified by the  
24                  State agency, the noncustodial parent shall  
25                  participate in a work program established



1           by the State, for not less than 35 hours  
2           per week (or, if the program also requires  
3           job search, for not less than 32 hours per  
4           week).”.

5 **SEC. 306. EFFECTIVE DATE.**

6       (a) IN GENERAL.—Except as provided in subsection  
7 (b), the amendments made by this title shall take effect  
8 on the first day of the first fiscal year beginning after the  
9 date of the enactment of this Act.

10       (b) DELAY IF STATE LEGISLATION REQUIRED.—In  
11 the case of a State which the Secretary determines re-  
12 quires State legislation (other than legislation authorizing  
13 or appropriating funds) in order to comply with the  
14 amendments made by this section, the State shall not be  
15 regarded as failing to comply with such amendments solely  
16 on the basis of its failure to meet the requirements of such  
17 amendments before the first day of the first calendar  
18 quarter beginning after the close of the first regular ses-  
19 sion of the State legislature that begins after the date of  
20 the enactment of this Act. For purposes of the preceding  
21 sentence, in the case of a State that has a 2-year legisla-  
22 tive session, each year of such session shall be deemed to  
23 be a separate regular session of the State legislature.

1 **TITLE IV—EXPANSION OF STAT-**  
2 **UTORY FLEXIBILITY OF**  
3 **STATES**

4 **SEC. 401. OPTION TO INCREASE OR DECREASE PAYMENTS**  
5 **BASED ON PREVENTIVE HEALTH CARE AND**  
6 **IMMUNIZATIONS FOR CHILDREN.**

7 (a) IN GENERAL.—

8 (1) INCREASE IN AFDC BENEFITS.—Section  
9 402(a) (42 U.S.C. 602(a)), as amended by sections  
10 101, 102, and 201, is amended—

11 (A) by striking “and” at the end of para-  
12 graph (47);

13 (B) by striking the period at the end of  
14 paragraph (48) and inserting “; and”; and

15 (C) by inserting after paragraph (48) the  
16 following new paragraph:

17 “(49) unless the State has enacted a law ex-  
18 emptioning itself from the application of this para-  
19 graph, provide that—

20 “(A) the State shall increase (in accord-  
21 ance with any methodology determined appro-  
22 priate by the State) the amount paid to a fam-  
23 ily under this part by up to \$50 for any month  
24 (but not exceeding \$300 in the aggregate) with  
25 respect to which the State agency receives writ-

1           ten verification from a licensed health care pro-  
2           vider (on a form prescribed by the State) that  
3           each child in such family who is under the age  
4           of 6—

5                   “(i) has received early and periodic  
6           screening, diagnostic, and treatment serv-  
7           ices (as defined in section 1905(r)); and

8                   “(ii) has been immunized in accord-  
9           ance with recommendations issued by the  
10          Surgeon General of the Public Health  
11          Service;”.

12          (2) REDUCTION IN AFDC BENEFITS.—Section  
13          402(a)(49) (42 U.S.C. 602(a)(49)), as added by  
14          paragraph (1), is amended by adding at the end the  
15          following new subparagraph:

16                 “(B) the State shall decrease (in accord-  
17          ance with any methodology determined appro-  
18          priate by the State) the amount paid to a fam-  
19          ily under this part by up to \$50 for any month  
20          with respect to which the State agency fails to  
21          receive written verification from a licensed  
22          health care provider (on a form prescribed by  
23          the State) that each child in such family who  
24          is under the age of 6—

1                   “(i) has received early and periodic  
2                   screening, diagnostic, and treatment serv-  
3                   ices (as defined in section 1905(r)); and

4                   “(ii) has been immunized in accord-  
5                   ance with recommendations issued by the  
6                   Surgeon General of the Public Health  
7                   Service; and”.

8                   (3) EDUCATION AND OUTREACH ACTIVITIES.—

9                   Section 402(a)(49) (42 U.S.C. 602(a)(49)), as  
10                  added by paragraph (1) and amended by paragraph  
11                  (2), is amended by adding at the end the following  
12                  new subparagraph:

13                  “(C) the State will conduct appropriate  
14                  education and outreach activities designed to—

15                       “(i) increase public awareness of the  
16                       importance of preventive health care and  
17                       immunizations for pre-school children; and

18                       “(ii) inform the public about—

19                               “(I) the availability of preventive  
20                               health care and immunization services  
21                               for pre-school children;

22                               “(II) any transportation, child  
23                               care, or other support services that  
24                               may be available to assist parents in



1 obtaining such services for their chil-  
2 dren; and

3 “(III) the clinics at which any  
4 child may receive immunizations free  
5 or at a reduced charge.”.

6 (b) ISSUANCE OF IMMUNIZATION RECOMMENDA-  
7 TIONS BY THE SURGEON GENERAL OF THE PUBLIC  
8 HEALTH SERVICE.—After taking into consideration the  
9 most recent report of the Committee on Infectious Dis-  
10 eases of the American Academy of Pediatrics, the Surgeon  
11 General of the Public Health Service shall issue, and re-  
12 vise from time to time, recommendations for the immuni-  
13 zation of children under 6 years of age. With respect to  
14 each recommended immunization, such recommendation  
15 shall include—

16 (1) contraindications (if any) that should be  
17 identified to exempt a child from receiving such im-  
18 munization, and

19 (2) remedial action that may be taken to mini-  
20 mize the adverse effect of failure to administer such  
21 immunization to a child at the recommended age.

1 **SEC. 402. OPTION TO INCREASE OR DECREASE PAYMENTS**  
 2 **BASED ON ATTENDANCE AT EDUCATIONAL**  
 3 **INSTITUTIONS AND PARTICIPATION IN VOCA-**  
 4 **TIONAL OR TECHNICAL TRAINING.**

5 (a) INCREASE IN AFDC BENEFITS.—Section 402(a)  
 6 (42 U.S.C. 602(a)), as amended by sections 101, 102,  
 7 201, and 401, is amended—

8 (1) by striking “and” at the end of paragraph  
 9 (48);

10 (2) by striking the period at the end of para-  
 11 graph (49) and inserting “; and”; and

12 (3) by inserting after paragraph (49) the fol-  
 13 lowing new paragraph:

14 “(50) at the option of the State, provide that—

15 “(A) the aid otherwise payable under the  
 16 plan to a family may be increased by not more  
 17 than \$75 per month if each member of such  
 18 family who is attending an educational institu-  
 19 tion or participating in a course of vocational or  
 20 technical training has maintained minimum at-  
 21 tendance (as defined by the State in consulta-  
 22 tion with the Secretary) at such institution or  
 23 in such course during the immediately preced-  
 24 ing month; and”.

25 (b) DECREASE IN AFDC BENEFITS.—Section  
 26 402(a)(50) (42 U.S.C. 602(a)(50)), as added by para-

1 graph (1), is amended by adding at the end the following  
2 new subparagraph:

3                   “(B) the aid otherwise payable under the  
4           plan to a family may be reduced by not more  
5           than \$75 per month if a member of such family  
6           who is attending an educational institution or  
7           participating in a course of vocational or tech-  
8           nical training fails, without good cause (as de-  
9           fined by the State in consultation with the Sec-  
10          retary), during the immediately preceding  
11          month, to maintain minimum attendance (as  
12          defined by the State in consultation with the  
13          Secretary) at such institution or in such  
14          course.”.

15 **SEC. 403. OPTION TO DENY AFDC FOR ADDITIONAL CHIL-**  
16 **DREN.**

17          Section 402(a) (42 U.S.C. 602(a)), as amended by  
18 sections 101, 102, 201, 401, and 402, is amended—

19               (1) by striking “and” at the end of paragraph  
20               (49);

21               (2) by striking the period at the end of para-  
22               graph (50) and inserting “; and”; and

23               (3) by inserting after paragraph (50) the fol-  
24               lowing new paragraph:

1           “(51) at the option of the State, provide that  
2           aid under the plan shall not be payable with respect  
3           to a child conceived by a recipient of aid under the  
4           plan.”.

5 **SEC. 404. OPTION TO PROVIDE MARRIED COUPLE TRANSI-**  
6 **TION BENEFIT.**

7           Section 402(a) (42 U.S.C. 602(a)), as amended by  
8           sections 101, 102, 201, 401, 402, and 403, is amended—

9           (1) by striking “and” at the end of paragraph  
10          (50);

11          (2) by striking the period at the end of para-  
12          graph (51) and inserting “; and”; and

13          (3) by inserting after paragraph (51) the fol-  
14          lowing new paragraph:

15          “(52) at the option of the State, provide that—

16               “(A) if a recipient of aid under the plan  
17               marries an individual who is not a parent of a  
18               child of the recipient and (but for this para-  
19               graph) the resulting family would have become  
20               ineligible for such aid by reason of the mar-  
21               riage, then the family shall remain eligible for  
22               aid under the plan, in an amount equal to 50  
23               percent of the aid payable to the recipient im-  
24               mediately before the marriage, for a period  
25               (specified by the State) of not more than 12



months, but only for so long as the income of the family is less than 150 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved; and

“(B) if a recipient of aid under the plan marries an individual who is not a parent of a child of the recipient and the resulting family would (in the absence of this subparagraph) be eligible for such aid by reason of section 407, then the State may provide aid to the family in accordance with section 407 or subparagraph (A) of this paragraph, but not both.”.

**SEC. 405. OPTION TO TREAT INTERSTATE IMMIGRANTS  
UNDER RULES OF FORMER STATE.**

Section 402(a) (42 U.S.C. 602(a)), as amended by sections 101, 102, 201, 401, 402, 403, and 404, is amended—

(1) by striking “and” at the end of paragraph (51);

(2) by striking the period at the end of paragraph (52) and inserting “; and”; and

1           (3) by inserting after paragraph (52) the fol-  
2           lowing new paragraph:

3           “(53) at the option of the State, in the case of  
4           a family applying for aid under the State plan that  
5           has moved to the State from another jurisdiction of  
6           the United States with a State plan approved under  
7           this part, and has resided in the State for less than  
8           12 months consecutively (as determined by the  
9           State), apply the rules that would have been applied  
10          by such other jurisdiction if the family had not  
11          moved from such other jurisdiction in determining—

12                 “(A) the eligibility of the family for bene-  
13                 fits, and

14                 “(B) the amount of benefits payable to the  
15                 family under the State plan,  
16          during the 12 month period beginning on the date  
17          the family moved to the State (as determined by the  
18          State).”.

19 **SEC. 406. OPTION TO REQUIRE ATTENDANCE AT**  
20 **PARENTING AND MONEY MANAGEMENT**  
21 **CLASSES.**

22          Section 402(a) (42 U.S.C. 602(a)), as amended by  
23          sections 101, 102, 201, 401, 402, 403, 404, and 405, is  
24          amended—

1 (1) by striking “and” at the end of paragraph  
2 (52);

3 (2) by striking the period at the end of para-  
4 graph (53) and inserting “; and”; and

5 (3) by inserting after paragraph (53) the fol-  
6 lowing new paragraph:

7 “(54) at the option of the State, provide that,  
8 as a condition of receiving aid under the State plan,  
9 the recipient shall attend parenting and money man-  
10 agement classes determined necessary and appro-  
11 priate by the State.”.

12 **SEC. 407. OPTION TO DENY AFDC ELIGIBILITY TO CERTAIN**  
13 **TEENAGERS; REQUIREMENT THAT TEEN-**  
14 **AGERS ELIGIBLE FOR AFDC LIVE AT HOME.**

15 (a) OPTION TO DENY AFDC ELIGIBILITY TO CER-  
16 TAIN TEENAGERS.—Section 402(a) (42 U.S.C. 602(a)),  
17 as amended by sections 101, 102, 201, 401, 402, 403,  
18 404, 405, and 406 is amended—

19 (1) by striking “and” at the end of paragraph  
20 (53);

21 (2) by striking the period at the end of para-  
22 graph (54) and inserting “; and”; and

23 (3) by inserting after paragraph (54) the fol-  
24 lowing new paragraph:

1 “(55) at the option of the State, provide that  
 2 any individual who is under the age of 18 and has  
 3 never married, and who has a dependent child in his  
 4 or her care or is pregnant, shall be ineligible for aid  
 5 to families with dependent children under this  
 6 part.”.

7 (b) REQUIREMENT THAT TEENAGERS ELIGIBLE FOR  
 8 AFDC LIVE AT HOME.—Section 402(a)(43) (42 U.S.C.  
 9 602(a)(43)) is amended by striking “at the option of the  
 10 State” and inserting “if the State has not opted to deny  
 11 eligibility under paragraph (55)”.

12 (c) CONTINUED ELIGIBILITY FOR MEDICAID PRO-  
 13 GRAM.—Section 402 (42 U.S.C. 602) is amended by in-  
 14 serting the following new subsection after subsection (c):

15 “(d) A State that opts to deny eligibility for aid to  
 16 families with dependent children under this part to the  
 17 individuals described in subsection (a)(55) shall provide  
 18 that such individuals shall be considered individuals re-  
 19 ceiving such aid for purposes of eligibility for medical as-  
 20 sistance under the State plan approved under title XIX.”.

21 (d) USE OF SAVINGS.—Each State shall use the sav-  
 22 ings recognized by the State under the aid to families with  
 23 dependent children program under title IV of the Social  
 24 Security Act as a result of the amendments made by this  
 25 section for funding—



1 (1) group homes for individuals described in  
2 section 402(a)(55) of such Act;

3 (2) adoption assistance programs; and

4 (3) abstinence education programs.

5 **SEC. 408. DISREGARD OF EDUCATION AND EMPLOYMENT**

6 **TRAINING SAVINGS FOR AFDC ELIGIBILITY.**

7 (a) DISREGARD AS RESOURCE.—Subparagraph (B)  
8 of section 402(a)(7) (42 U.S.C. 602(a)(7)) is amended—

9 (1) by striking “or” before “(iv)”, and

10 (2) by inserting “, or (v) at the option of the  
11 State, any amount up to the amount established by  
12 the State in a qualified education account (as de-  
13 fined in section 406(i)(1))” before “; and”.

14 (b) DISREGARD AS INCOME.—Subparagraph (A) of  
15 section 402(a)(8) (42 U.S.C. 602(a)(8)) is amended—

16 (1) by striking “and” at the end of clause (vii),  
17 and

18 (2) by inserting after clause (viii) the following  
19 new clause:

20 “(ix) shall disregard any qualified dis-  
21 tributions (as defined in section 406(i)(2))  
22 made from any qualified education account  
23 (as defined in section 406(i)(1)) while the  
24 family is receiving aid to families with de-  
25 pendent children; and”.

1 (c) QUALIFIED EDUCATION ACCOUNTS.—Section  
 2 406 (42 U.S.C. 606) is amended by adding at the end  
 3 the following new subsection:

4 “(i)(1) The term ‘qualified education account’ means  
 5 a mechanism established by the State that allows savings  
 6 from the earned income of a dependent child who is a  
 7 member of a family receiving aid to families with depend-  
 8 ent children to be used for qualified distributions.

9 “(2) The term ‘qualified distributions’ means dis-  
 10 tributions from a qualified education account for expenses  
 11 directly related to the attendance at an eligible educational  
 12 institution by a dependent child who is a member of a  
 13 family receiving aid to families with dependent children.  
 14 “(3) The term ‘eligible educational institution’ means  
 15 an educational institution determined to be eligible by the  
 16 State under guidelines established by the Secretary.”.

17 **SEC. 409. EFFECTIVE DATE.**

18 (a) IN GENERAL.—Except as provided in subsection  
 19 (b), the amendments made by this title shall take effect  
 20 on the first day of the first fiscal year beginning after the  
 21 date of the enactment of this Act.

22 (b) DELAY IF STATE LEGISLATION REQUIRED.—In  
 23 the case of a State which the Secretary determines re-  
 24 quires State legislation (other than legislation authorizing  
 25 or appropriating funds) in order to comply with the

1 amendments made by this section, the State shall not be  
2 regarded as failing to comply with such amendments solely  
3 on the basis of its failure to meet the requirements of such  
4 amendments before the first day of the first calendar  
5 quarter beginning after the close of the first regular ses-  
6 sion of the State legislature that begins after the date of  
7 the enactment of this Act. For purposes of the preceding  
8 sentence, in the case of a State that has a 2-year legisla-  
9 tive session, each year of such session shall be deemed to  
10 be a separate regular session of the State legislature.

## 11 **TITLE V—EXPEDITED STATE** 12 **WAIVER AUTHORITY**

### 13 **SEC. 501. INTERAGENCY WAIVER REQUEST BOARD.**

14 (a) **ESTABLISHMENT AND PURPOSE.**—In order to  
15 provide a focal point within the Federal Government for  
16 the development and coordination of waiver requests de-  
17 signed to improve opportunities for low-income individuals  
18 and families, there is established an Interagency Waiver  
19 Request Board.

#### 20 (b) **MEMBERSHIP.**—

21 (1) **PERMANENT MEMBERS.**—The Board shall  
22 consist of 9 permanent members, as follows:

23 (A) The Secretary of Agriculture (or the  
24 designee of the Secretary).

1 (B) The Secretary of Health and Human  
2 Services (or the designee of the Secretary).

3 (C) The Secretary of Housing and Urban  
4 Development (or the designee of the Secretary).

5 (D) The Secretary of Labor (or the des-  
6 ignee of the Secretary).

7 (E) The Secretary of Education (or the  
8 designee of the Secretary).

9 (F) The Attorney General of the United  
10 States (or the designee of the Attorney Gen-  
11 eral).

12 (G) The Secretary of the Interior (or the  
13 designee of the Secretary).

14 (H) The Director of the Office of Manage-  
15 ment and Budget (or the designee of the Direc-  
16 tor).

17 (I) 1 individual appointed by the Presi-  
18 dent.

19 (2) LIMITED PURPOSE MEMBERS.—

20 (A) IN GENERAL.—With respect to an ap-  
21 plication submitted under this title, the Board  
22 shall include the head of each department or  
23 agency (or the designee of the head) having re-  
24 sponsibility for the administration of a program



1 included in the assistance plan contained in the  
2 application.

3 (B) BOARD OF DIRECTORS OF THE LEGAL  
4 SERVICES CORPORATION.—The Board of Direc-  
5 tors of the Legal Services Corporation is  
6 deemed to be the head of the department or  
7 agency having responsibility for the administra-  
8 tion of the program of legal assistance to eligi-  
9 ble clients and other programs under the Legal  
10 Services Corporation Act (42 U.S.C. 2996  
11 et seq.).

12 (c) CHAIRPERSON.—The member of the Board ap-  
13 pointed under subsection (b)(1)(I) shall serve as Chair-  
14 person of the Board.

15 (d) VACANCIES.—A vacancy in the position of Chair-  
16 man shall be filled in the manner in which the original  
17 appointment was made.

18 (e) NO ADDITIONAL COMPENSATION.—The members  
19 of the Board may not be provided additional pay, allow-  
20 ances, or benefits by reason of their service on the Board.

21 (f) POWERS.—

22 (1) ASSISTANCE OF OTHER FEDERAL ENTI-  
23 TIES.—A member of the Board shall detail to the  
24 Chairperson, on a nonreimbursable basis, such offi-  
25 cers and employees of the department or agency

1       headed by the member, and shall make available to  
2       the Chairperson such assistance, as the Chairperson  
3       may require to carry out the activities of the  
4       Chairperson.

5           (2) USE OF UNITED STATES MAILS.—The  
6       Chairperson may use the United States mails in the  
7       same manner and under the same conditions as  
8       other departments and agencies of the United  
9       States.

10          (3) ACCEPTANCE OF GIFTS, BEQUESTS, AND  
11       DEVISES.—The Chairperson may accept, use, and  
12       dispose of gifts, bequests, or devises of services or  
13       property, both real and personal, for the purpose of  
14       aiding or facilitating the work of the Chairperson.  
15       Gifts, bequests, or devises of money and proceeds  
16       from sales of other property received as gifts, be-  
17       quests, or devises shall be deposited in the Treasury  
18       and shall be available for disbursement upon order  
19       of the Chairperson.

20          (g) DUTY TO PROVIDE TECHNICAL ASSISTANCE.—  
21       The Board shall provide assistance and technical advice  
22       to entities submitting applications under section 502 and  
23       implementing an assistance plan under an application ap-  
24       proved under section 503.

25          (h) PROCEDURE.—

1           (1) MEETINGS.—The Board shall meet not less  
2       than twice annually at the call of the Chairperson,  
3       or of at least 3 permanent members.

4           (2) NOTICE OF DECISIONS.—The Chairperson  
5       shall provide the Board with advance notice of any  
6       action that the Chairperson intends to take under  
7       this title.

8           (3) POWER OF BOARD MAJORITY TO OVERRULE  
9       CHAIRPERSON.—Notwithstanding any other provi-  
10      sion of this title, a majority of the members of the  
11      Board with respect to a matter may overrule any de-  
12      cision or nullify any action of the Chairperson under  
13      this title with respect to the matter.

14          (i) ANNUAL REPORTS.—The Chairperson shall trans-  
15      mit annually to the Congress a report containing a de-  
16      tailed statement of the activities of the Board during the  
17      year covered by the report.

18   **SEC. 502. APPLICATION TO IMPLEMENT ASSISTANCE**  
19                           **PLANS.**

20      Any entity that is receiving or is eligible to receive  
21      funds or other assistance under an eligible Federal pro-  
22      gram and desires to reform any number of such programs  
23      may submit to the Chairperson an application that con-  
24      tains the following:

1           (1) ASSISTANCE PLAN.—An assistance plan  
2       that sets forth the following:

3           (A) GEOGRAPHIC AREA.—The geographic  
4       area to which the plan applies and the rationale  
5       for so defining the area.

6           (B) RECIPIENTS.—The particular groups  
7       of individuals, by age, service needs, economic  
8       circumstances, or other defining factors, who  
9       are to receive services and benefits under the  
10      plan.

11          (C) OBJECTIVES AND PERFORMANCE CRI-  
12      TERIA.—Specific objectives and criteria for  
13      measuring levels of performance, a description  
14      of how such objectives and levels of perform-  
15      ance are expected to be achieved, a description  
16      of how such criteria are to be used to measure  
17      performance, and a system for the comprehen-  
18      sive evaluation of the impact of the plan on par-  
19      ticipants, the community, and program costs.

20          (D) COVERED PROGRAMS.—The eligible  
21      Federal programs through which assistance is  
22      to be improved in accordance with the plan, and  
23      the specific benefits that are to be provided  
24      under the plan pursuant to the program or pro-  
25      grams, including criteria for determining eligi-



bility for benefits under the plan, the services available, the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits.

(E) SOURCES OF NON-FEDERAL FUNDS.—

A description of the sources of all non-Federal funds that are to be used to carry out the program or programs referred to in subparagraph (D).

(F) FISCAL CONTROL AND ACCOUNTABILITY.—Fiscal control and related accountability procedures that are to apply under the plan.

(G) CONSENT OF QUALIFIED ORGANIZATIONS.—Written consent from each qualified organization for which consent is required under section 503(c)(2)(B).

(H) APPROVAL OF AFFECTED STATE AND LOCAL PUBLIC ENTITIES.—A written statement, from each State or local public entity to which the Federal funds or assistance would otherwise be provided under the program or programs, that the entity approves of the proposal and will cooperate in the implementation of the proposal by the applicant.

(2) ASSURANCES.—

1                   (A) PROVISION OF PLAN TO AFFECTED OR-  
2                   GANS OF GOVERNMENT IN THE STATE.—Assur-  
3                   ances that a copy of the plan has been provided  
4                   to all affected organs of government in the geo-  
5                   graphic area referred to in paragraph (1)(A).

6                   (B) CONSULTATION WITH PUBLIC-PRIVATE  
7                   PARTNERSHIP COMMITTEE.—Assurances that a  
8                   committee established under section 505 has  
9                   participated in the development of the plan.

10               (3) REQUEST FOR AUTHORITY TO IMPLEMENT  
11               PLAN.—A request that the Chairperson authorize  
12               the applicant to implement the plan, and waive the  
13               application of any Federal statutory or regulatory  
14               requirement to the extent necessary to enable such  
15               implementation.

16               (4) OTHER INFORMATION.—Any other informa-  
17               tion the Chairperson may require to approve the  
18               application.

19   **SEC. 503. REVIEW AND APPROVAL OF APPLICATIONS; WAIV-**  
20                   **ERS.**

21               (a) REVIEW.—

22               (1) IN GENERAL.—Upon receipt of an applica-  
23               tion submitted in accordance with section 502, the  
24               Chairperson shall—

1           (A) approve or disapprove the application  
2           within 90 days after such receipt;

3           (B) notify the applicant in writing of such  
4           approval or disapproval; and

5           (C) if the application is disapproved, in-  
6           clude in the notice of disapproval a written jus-  
7           tification of the reasons for such disapproval.

8           (2) DEEMED APPROVAL.—If the Chairperson  
9           fails to approve or disapprove the application in ac-  
10          cordance with paragraph (1)(A), the application  
11          shall be deemed approved.

12          (b) CONDITIONAL APPROVAL.—The Chairperson may  
13          condition approval of such an application on the accept-  
14          ance by the applicant, and by any parties whose consent  
15          or approval is required under section 502, of specified  
16          modifications to the application.

17          (c) APPROVAL.—

18               (1) REQUIREMENTS.—The Chairperson may  
19               approve such an application, subject to paragraph  
20               (2), if the Chairperson determines that—

21                       (A) the implementation of the assistance  
22                       plan contained in the application will improve  
23                       the effectiveness and efficiency of providing  
24                       benefits under the covered program or pro-  
25                       grams included in the plan, by reducing admin-

1           istrative rigidity, duplication, and unnecessary  
2           expenditures;

3           (B) the applicant has adequately consid-  
4           ered, and the application appropriately address-  
5           es, the effects that the administration of each  
6           covered program included in the plan will have  
7           on the administration of any other such pro-  
8           gram;

9           (C) the applicant has or is developing data  
10          bases, planning, and evaluation processes that  
11          are adequate for implementing the plan;

12          (D) implementation of the plan will ade-  
13          quately achieve the purposes of this title and of  
14          such covered program or programs; and

15          (E) the plan is adequate to ensure that in-  
16          dividuals and families that receive benefits  
17          under the covered program or programs in-  
18          cluded in the plan will continue to receive bene-  
19          fits that meet the needs intended to be met  
20          under the program or programs.

21          (2) LIMITATIONS.—The Chairperson may not  
22          approve such an application if—

23                (A) implementation of the assistance plan  
24                contained in the application would result in an  
25                increase in the total amount of obligations or



1 outlays of discretionary appropriations or direct  
2 spending under the covered program or pro-  
3 grams included in the plan, over the amounts of  
4 such obligations and outlays that would occur  
5 under the program or programs without imple-  
6 mentation of the plan; or

7 (B) if the plan applies to assistance to a  
8 qualified organization under an eligible Federal  
9 program, the qualified organization does not  
10 consent in writing to the receipt of such assist-  
11 ance in accordance with the plan.

12 (3) IMPLEMENTATION PERIOD.—In approving  
13 such an application, the Chairperson shall specify  
14 that the assistance plan contained in the application  
15 shall be implemented for an initial period of 5 years  
16 and may be renewed for subsequent 5-year periods.

17 (d) WAIVERS.—

18 (1) IN GENERAL.—Subject to this subsection,  
19 the Chairperson may waive any requirement applica-  
20 ble under Federal law to the administration of, or  
21 provision of benefits under, any covered program in-  
22 cluded in an application approved under this title, if  
23 the waiver is reasonably necessary for the implemen-  
24 tation of the assistance plan contained in the ap-  
25 proved application.

1           (2) FUNDING LIMITATION.—This subsection  
2 shall not be construed to authorize the Chairperson  
3 to waive the application to any entity of a provision  
4 of law or regulation applicable to a program if the  
5 waiver would result in net payments by the Federal  
6 Government to the entity under the program for a  
7 fiscal year in excess of the net payments which  
8 would otherwise be so made to the entity.

9           (3) CIVIL RIGHTS LAWS EXCEPTED.—This sub-  
10 section shall not be construed to authorize the  
11 Chairperson to waive any requirement established by  
12 statute or regulation under—

13                   (A) title VI of the Civil Rights Act of 1964  
14                   (42 U.S.C. 2000d et seq.);

15                   (B) section 504 of the Rehabilitation Act  
16                   of 1973 (29 U.S.C. 701 et seq.);

17                   (C) title IX of the Education Amendments  
18                   of 1972 (86 Stat. 373 et seq.);

19                   (D) the Age Discrimination Act of 1975  
20                   (42 U.S.C. 6101 et seq.); or

21                   (E) the Americans With Disabilities Act of  
22                   1990.

**SEC. 504. IMPLEMENTATION OF ASSISTANCE PLANS; EVALUATIONS.**

(a) IN GENERAL.—Notwithstanding any other provision of law, benefits under any covered program included in an application approved under this title shall be paid and administered in the manner specified in the approved application.

(b) EVALUATIONS.—

(1) IN GENERAL.—Any entity whose application is approved under this title shall, in accordance with regulations issued by the Chairperson—

(A) submit such reports on, and cooperate in such audits of, the implementation of the assistance plan contained in the application; and

(B) periodically evaluate the effects that implementation of the plan has had on—

(i) individuals who receive benefits under a covered program included in the plan;

(ii) communities where such individuals live; and

(iii) costs of administering the covered program or programs included in the plan.

(2) ANNUAL REPORTS.—Not later than 90 days after the end of the 1-year period beginning on the date the application of an entity is approved under

1       this title, and annually thereafter for each year in  
2       which the assistance plan is implemented, the entity  
3       shall submit to the Chairperson a report on the prin-  
4       cipal activities and achievements under the assist-  
5       ance plan contained in the application, during the  
6       period covered by the report, and, if the application  
7       was submitted under section 502(a), the report shall  
8       compare those achievements to the objectives and  
9       performance criteria included in the plan pursuant  
10      to section 502(a)(1)(C).

11      (c) FINAL REPORT.—Not later than 45 days after  
12      the end of the period for which the Chairperson has ini-  
13      tially authorized an entity to implement an assistance  
14      plan, or at any time that the entity determines that the  
15      plan has demonstrated its worth and proven to be a supe-  
16      rior way to provide benefits under the covered program  
17      or programs included in the plan, the entity shall submit  
18      to the Chairperson a final report on such implementation,  
19      including a full evaluation of the successes and short-  
20      comings of the plan and the effects of such implementa-  
21      tion on individuals who receive benefits under such pro-  
22      gram or programs.

23      (d) SUSPENSION AND TERMINATION.—



1           (1) IN GENERAL.—The Chairperson may re-  
2       quire an entity to suspend or terminate implementa-  
3       tion of part or all of an assistance plan under—

4           (A) any approved application under this  
5       title if the Chairperson finds that the applicant  
6       has failed to carry out a covered program in ac-  
7       cordance with any applicable provision of law or  
8       regulation; or

9           (B) an approved application that was sub-  
10      mitted under section 502(a), if, after consulta-  
11      tion with the head of each Federal agency re-  
12      sponsible for administering a covered program  
13      included in the approved application, the Chair-  
14      person determines that the objectives and per-  
15      formance criteria included in the plan pursuant  
16      to section 502(a)(1)(C) have not been met.

17          (2) TIMING.—In requiring the implementation  
18      of an assistance plan to be terminated under para-  
19      graph (1), the Chairperson shall allow a reasonable  
20      period of time for appropriate Federal, State, and  
21      local agencies, and qualified organizations to resume  
22      administration of the covered program or programs  
23      included in the application that contains the plan.

1 **SEC. 505. PUBLIC-PRIVATE PARTNERSHIP COMMITTEES.**

2 (a) **ESTABLISHMENT.**—An entity desiring to submit  
3 an application under section 502(a) shall establish a Pub-  
4 lic-Private Partnership Committee in accordance with this  
5 section.

6 (b) **FUNCTIONS.**—A Public-Private Partnership Com-  
7 mittee shall advise an entity in the development and imple-  
8 mentation of an assistance plan, including with respect  
9 to—

10 (1) conducting public hearings;

11 (2) representing the interest of low-income indi-  
12 viduals and families; and

13 (3) reviewing and commenting on all commu-  
14 nity policies, programs, and actions under the plan  
15 which affect low-income individuals and families,  
16 with the purpose of assuring maximum coordination  
17 and responsiveness of the plan in providing benefits  
18 under the plan to those individuals and families.

19 (c) **MEMBERSHIP.**—The membership of a Public-Pri-  
20 vate Partnership Committee shall—

21 (1) consist of—

22 (A) low-income individuals, who shall—

23 (i) comprise at least  $\frac{1}{3}$  of the mem-  
24 bership; and

1                   (ii) include minority individuals who  
2                   are participants or who qualify to partici-  
3                   pate in eligible Federal programs;

4                   (B) representatives of low-income individ-  
5                   uals and families;

6                   (C) persons with leadership experience in  
7                   the private and voluntary sectors;

8                   (D) local elected officials; and

9                   (E) the general public; and

10                  (2) include individuals and representatives of  
11                  community and business organizations who will help  
12                  to enhance the leadership role of the entity in devel-  
13                  oping an assistance plan.

14 **SEC. 506. DEFINITIONS.**

15                  As used in this title:

16                  (1) **ASSISTANCE PLAN.**—The term “assistance  
17                  plan” means a plan for improving the provision of  
18                  assistance under 1 or more eligible Federal pro-  
19                  grams.

20                  (2) **BOARD.**—The term “Board” means the  
21                  Interagency Waiver Request Board established by  
22                  section 501.

23                  (3) **CHAIRPERSON.**—The term “Chairperson”  
24                  means the Chairperson of the Board.

1           (4) COVERED PROGRAM.—The term “covered  
2       program” means, with respect to an assistance plan,  
3       the eligible Federal programs included in the plan.

4           (5) ELIGIBLE FEDERAL PROGRAM.—The term  
5       “eligible Federal program” means any Federal pro-  
6       gram which, directly or indirectly, provides cash as-  
7       sistance to individuals, or under which assistance is  
8       available for—

- 9                   (A) education;
- 10                  (B) employment training;
- 11                  (C) health;
- 12                  (D) housing;
- 13                  (E) nutrition; or
- 14                  (F) other social services.

15          (6) QUALIFIED ORGANIZATION.—The term  
16       “qualified organization” means any private, not-for-  
17       profit organization that is exempt from taxation  
18       under section 501(c)(3) of the Internal Revenue  
19       Code of 1986 (26 U.S.C. 501(c)(3)).

20          (7) STATE.—

21                (A) IN GENERAL.—The term “State”  
22       means any of the 50 States, the District of Co-  
23       lumbia, Puerto Rico, American Samoa, Guam,  
24       and the Virgin Islands.



(B) INDIAN TRIBES.—In the case of an eligible Federal program under which assistance is provided with respect to an Indian tribe, the Indian tribal organization is deemed to be a State.

**SEC. 507. REPORTS.**

(a) IN GENERAL.—The Comptroller General of the United States shall submit to the Congress 2 reports that—

(1) describe the extent to which assistance plans have been implemented in accordance with this title;

(2) evaluate the effectiveness of covered Federal assistance programs included in such plans; and

(3) include recommendations with respect to whether to continue activities under this title.

(b) TIMING.—The Comptroller General shall submit a report under subsection (a) not later than 3 years after the date of the enactment of this Act, and another such report not later than 6 years after such date of enactment.

**SEC. 508. SUNSET.**

Any authority provided under this title shall expire 7 years after the date of the enactment of this Act.

## **TITLE VI—WELFARE RESTRICTIONS FOR ALIENS**

### **SEC. 601. ELIGIBILITY OF CERTAIN ALIENS FOR CERTAIN FEDERAL BENEFITS.**

#### **(a) PROVISIONS RELATING TO UNLAWFUL ALIENS.—**

##### **(1) DIRECT FEDERAL FINANCIAL BENEFITS.—**

**(A) IN GENERAL.**—On and after the date of the enactment of this Act, notwithstanding any other provision of law, no benefits shall be available under the programs described in subparagraph (B) to an unlawful alien (as defined in subsection (c)(2)) except pursuant to a provision of the Immigration and Nationality Act.

**(B) PROGRAMS DESCRIBED.**—The programs described in this subparagraph are the following:

(i) The aid to families with dependent children program under title IV of the Social Security Act.

(ii) The medicaid program under title XIX of the Social Security Act (except for care and services for the treatment of an emergency medical condition under section 1903(v) of the Social Security Act).

(iii) The food stamp program under the Food Stamp Act of 1977.

(iv) The supplemental security income program under title XVI of the Social Security Act.

(v) Any Federal unemployment compensation program.

(2) NOTIFICATION OF ALIENS.—The Federal agency administering a program referred to in paragraph (1)(B) shall, directly or through the States, notify any unlawful alien (as defined in subsection (c)(2)) who is receiving benefits under the program on the date of the enactment of this Act and whose eligibility for the program is or will be terminated by reason of this subsection.

(b) PROVISIONS RELATING TO LAWFUL ALIENS.—

(1) REPORTING BY FEDERAL AGENCIES.—On and after the date of the enactment of this Act, notwithstanding any other provision of law, any lawful alien (as defined in subsection (c)(1)) who receives benefits under a program described in subsection (a)(1)(B) for more than 12 months shall be reported to the Immigration and Naturalization Service and shall be treated as a public charge for purposes of

1 section 241(a)(5) of the Immigration and National-  
2 ity Act.

3 (2) ATTRIBUTION OF SPONSOR'S INCOME AND  
4 RESOURCES TO FAMILY PREFERENCE ALIENS.—On  
5 and after the date of the enactment of this Act, not-  
6 withstanding any other provision of law, for pur-  
7 poses of determining eligibility of, and the amount  
8 of benefits for, a lawful alien (as defined in sub-  
9 section (c)(1)) under a program described in sub-  
10 section (a)(1)(B)—

11 (A) the income and resources of any per-  
12 son who, as a sponsor of such alien's entry into  
13 the United States, executed an affidavit of sup-  
14 port or similar agreement with respect to such  
15 alien, and

16 (B) the income and resources of such  
17 sponsor's spouse,  
18 shall be deemed to be the unearned income and re-  
19 sources of such alien until such time as the alien  
20 achieves United States citizenship through natu-  
21 ralization pursuant to chapter 2 of title 3 of the Im-  
22 migration and Nationality Act.

23 (c) DEFINITIONS.—For the purposes of this  
24 section—

25 (1) LAWFUL ALIEN.—



1 (A) IN GENERAL.—The term “lawful  
2 alien” means an individual who is described in  
3 subparagraph (B) at the time the individual ap-  
4 plies for, receives, or attempts to receive any  
5 Federal benefit.

6 (B) INDIVIDUALS DESCRIBED.—An indi-  
7 vidual described in this subparagraph is—

8 (i) a national of the United States,

9 (ii) an alien lawfully admitted for per-  
10 manent residence,

11 (iii) an asylee,

12 (iv) a refugee,

13 (v) an alien whose deportation has  
14 been withheld under section 243(h) of the  
15 Immigration and Nationality Act, or

16 (vi) a parolee who has been paroled  
17 for a period of 1 year or more.

18 (2) UNLAWFUL ALIEN.—The term “unlawful  
19 alien” means an individual who is not—

20 (A) a United States Citizen; or

21 (B) an individual described in paragraph  
22 (1)(B) at the time the individual applies for, re-  
23 ceives, or attempts to receive any Federal bene-  
24 fit.

1   **SEC. 602. STATE AFDC AGENCIES REQUIRED TO PROVIDE**  
2                   **INFORMATION ON ILLEGAL ALIENS TO THE**  
3                   **IMMIGRATION AND NATURALIZATION SERV-**  
4                   **ICE.**

5       (a) IN GENERAL.—Section 402(a) (42 U.S.C.  
6 602(a)), as amended by sections 101, 102, 201, 401, 402,  
7 403, 404, 405, 406, and 407 is amended—

8           (1) by striking “and” at the end of paragraph  
9       (54);

10          (2) by striking the period at the end of para-  
11       graph (55) and inserting “; and”; and

12          (3) by inserting after paragraph (55) the fol-  
13       lowing new paragraph:

14           “(56) require the State agency to provide to the  
15       Immigration and Naturalization Service the name,  
16       address, and other identifying information that the  
17       agency has with respect to any individual unlawfully  
18       in the United States any of whose children is a citi-  
19       zen of the United States.”.

20       (b) EFFECTIVE DATE.—

21           (1) IN GENERAL.—Except as provided in para-  
22       graph (2), the amendment made by subsection (a)  
23       shall take effect on the first day of the first fiscal  
24       year beginning after the date of the enactment of  
25       this Act.

(2) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—In the case of a State plan approved under section 402(a) of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a) of this section, the State plan shall not be regarded as failing to comply with the requirements of such section 402(a) solely on the basis of the failure of the plan to meet such additional requirement before the end of the 2-year period that begins with the date of the enactment of this Act.

## **TITLE VII—MISCELLANEOUS**

### **SEC. 701. RESTRICTION ON PAYMENT OF BENEFITS TO INDIVIDUALS CONFINED BY COURT ORDER TO PUBLIC INSTITUTIONS PURSUANT TO VERDICTS OF NOT GUILTY BY REASON OF INSANITY OR OTHER MENTAL DISORDER.**

(a) IN GENERAL.—Section 202(x)(1) (42 U.S.C. 402(x)(1)) is amended—

(1) by inserting “(A)” after “(1)”, and

(2) by adding at the end the following new subparagraph:

1       “(B) Notwithstanding any other provision of this  
2 title, no monthly benefits shall be paid under this section  
3 or under section 223 to any individual for any month dur-  
4 ing which such individual is confined in any public institu-  
5 tion by a court order pursuant to a verdict that the indi-  
6 vidual is guilty, but insane, or not guilty of an offense  
7 by reason of insanity (or by reason of a similar finding,  
8 such as a mental disease, a mental defect, or mental in-  
9 competence).”.

10       (b) CONFORMING AMENDMENTS.—

11           (1) The heading for section 202(x) (42 U.S.C.  
12 402(x)) is amended by inserting “and Certain Other  
13 Inmates of Public Institutions” after “Prisoners”.

14           (2) Section 202(x)(3) (42 U.S.C. 402(x)(3)) is  
15 amended by striking “any individual” and all that  
16 follows and inserting “any individual confined as de-  
17 scribed in paragraph (1) if the jail, prison, penal in-  
18 stitution, correctional facility, or other public institu-  
19 tion to which such individual is so confined is under  
20 the jurisdiction of such agency and the Secretary re-  
21 quires such information to carry out the provisions  
22 of this section.”.

23       (c) EFFECTIVE DATE.—

24           (1) IN GENERAL.—Except as provided in para-  
25 graph (2), the amendments made by this section



1 shall apply with respect to benefits for months be-  
2 ginning on or after the first day of the first fiscal  
3 year beginning after the date of the enactment of  
4 this Act.

5 (2) SPECIAL RULE REGARDING PAYMENTS TO  
6 INSTITUTIONS.—The amendment made by sub-  
7 section (a) shall not apply to any payment with re-  
8 spect to any individual, if, as of the date of the en-  
9 actment of this Act, such payment is made directly  
10 to the public institution to compensate such institu-  
11 tion for the expense of institutionalizing such indi-  
12 vidual.

13 **SEC. 702. AFDC RECIPIENTS REQUIRED TO UNDERGO NEC-**  
14 **CESSARY SUBSTANCE ABUSE TREATMENT AS A**  
15 **CONDITION OF RECEIVING AFDC.**

16 (a) IN GENERAL.—Section 402(a) (42 U.S.C.  
17 602(a)) is amended by inserting after paragraph (34) the  
18 following new paragraph:

19 “(35) provide that—

20 “(A) as a condition of eligibility for aid  
21 under the State plan, each applicant or recipi-  
22 ent who the State determines is addicted to al-  
23 cohool or drugs must be required to participate,  
24 and must maintain satisfactory participation  
25 (as determined by the State), in an appropriate

1           addiction treatment program, and must be re-  
2           quired to submit to tests for the presence of al-  
3           cohol or drugs, without advance notice, during  
4           and after such participation;

5           “(B) each applicant or recipient who fails  
6           to comply with any requirement imposed pursu-  
7           ant to subparagraph (A) shall not be eligible for  
8           such aid during the 2-year period that begins  
9           with such failure to comply, but shall be consid-  
10          ered to be receiving such aid for purposes of eli-  
11          gibility for medical assistance under the State  
12          plan approved under title XIX; and

13          “(C) no applicant or recipient shall be con-  
14          sidered to have failed to comply with any re-  
15          quirement imposed pursuant to subparagraph  
16          (A) if an appropriate addiction treatment pro-  
17          gram is unavailable to such applicant or recipi-  
18          ent under the system established by the State  
19          for determining priorities with respect to the  
20          availability of treatment services.”.

21       (b) EFFECTIVE DATE.—

22           (1) IN GENERAL.—Except as provided in para-  
23          graph (2), the amendment made by subsection (a)  
24          shall take effect on the first day of the first fiscal

1 year beginning after the date of the enactment of  
2 this Act.

3 (2) DELAY PERMITTED IF STATE LEGISLATION  
4 REQUIRED.—In the case of a State plan approved  
5 under section 402(a) of the Social Security Act  
6 which the Secretary of Health and Human Services  
7 determines requires State legislation (other than leg-  
8 islation appropriating funds) in order for the plan to  
9 meet the additional requirement imposed by the  
10 amendment made by subsection (a) of this section,  
11 the State plan shall not be regarded as failing to  
12 comply with the requirements of such section 402(a)  
13 solely on the basis of the failure of the plan to meet  
14 such additional requirement before the end of the 2-  
15 year period that begins with the date of the enact-  
16 ment of this Act.

17 **SEC. 703. EVALUATION OF EDUCATION AND TRAINING PRO-**  
18 **GRAMS.**

19 (a) IN GENERAL.—The Secretary of Health and  
20 Human Services shall conduct research projects to exam-  
21 ine the impact of education and training programs on the  
22 ability of individuals to end participation in the program  
23 of aid to families with dependent children under part A  
24 of title IV of the Social Security Act, expenditures under  
25 such program, wage rates, employment histories, and the

1 resumption of participation in such program of individuals  
2 who had ended such participation. For purposes of con-  
3 ducting research projects under this section, the Secretary  
4 shall collect information with respect to any individual  
5 during a period of not less than 5 years.

6 (b) SPECIAL RULE.—At least 1 research project con-  
7 ducted under subsection (a) shall involve the random as-  
8 signment of adult recipients of aid to families with depend-  
9 ent children under part A of title IV of the Social Security  
10 Act among—

11 (1) a group that is not required to participate  
12 in any special activity;

13 (2) a group that is required to participate in  
14 education or job training programs; and

15 (3) a group that is required to participate in a  
16 job search program, or in a job search and a work  
17 program.

18 **SEC. 704. FRAUD AND ADMINISTRATIVE EFFICIENCY.**

19 (a) DEMONSTRATION PROJECTS.—

20 (1) IN GENERAL.—The Secretary of Health and  
21 Human Services (hereafter referred to in this section  
22 as the “Secretary”) may conduct demonstration  
23 projects in several States to determine whether pro-  
24 viding benefits based on need through the use of



1       electronic cards and automatic teller machines would  
2       reduce administrative costs and fraud.

3           (2) REPORT TO THE CONGRESS.—Within 5  
4       years after the date of the enactment of this Act, the  
5       Secretary shall submit to the Congress a report  
6       that—

7           (A) summarizes the results of the projects;  
8       and

9           (B) makes recommendations with respect  
10       to whether and how more States might be re-  
11       quired or encouraged to use electronic funds  
12       transfer in providing benefits based on need.

13       (b) GENERAL REQUIREMENTS ON ELECTRONIC BEN-  
14       EFIT TRANSFER PROJECTS.—Federal financial participa-  
15       tion shall not be available for any electronic benefit trans-  
16       fer system developed under a project conducted by a State  
17       under title IV of the Social Security Act (including the  
18       demonstration projects conducted under subsection (a))  
19       unless—

20           (1) the system is budget neutral to the Federal  
21       Government;

22           (2) any cost savings associated with the system  
23       are shared proportionately by the State and the Fed-  
24       eral Government;

1           (3) reasonable time frames for development and  
2           implementation of the system are provided and such  
3           time frames result in minimal disruption to bene-  
4           ficiaries;

5           (4) the number of transactions allowed to bene-  
6           ficiaries and service fees charged to beneficiaries for  
7           transactions under the system ensure reasonable ac-  
8           cess to benefits;

9           (5) the State has implemented anti-fraud proce-  
10          dures under the system;

11          (6) the State has in place procedures which en-  
12          sure the privacy of beneficiaries receiving benefits  
13          under the system;

14          (7) payments for any hardware necessary for  
15          the system are made by the State;

16          (8) if the State adapts the system for use in  
17          other Federal or State programs, the State and the  
18          Secretary agree on an equitable cost accounting sys-  
19          tem; and

20          (9) the State conducts such evaluations and  
21          provides such reports to the Secretary as the Sec-  
22          retary determines appropriate.

23          (c) COMMISSION.—

24                (1) IN GENERAL.—Not later than 6 months  
25          after the date of the enactment of this Act, the Sec-

1       retary of Health and Human Services (in this sub-  
2       section referred to as the "Secretary") shall estab-  
3       lish a commission (in this subsection referred to as  
4       the "Commission") composed of heads of executive  
5       departments, expert private individuals, and State  
6       administrators, to determine the cost and feasibility  
7       of creating an interstate system to compare the so-  
8       cial security account numbers of all recipients of aid  
9       to families with dependent children under State  
10      plans approved under part A of title IV of the Social  
11      Security Act, so as to identify any such recipients  
12      who are receiving such aid from 2 or more States.

13           (2) BASIC PAY.—

14           (A) RATES OF PAY.—Except as provided  
15      in paragraph (2), members of the Commission  
16      shall each be paid at a rate not to exceed \$200  
17      for each day (including travel time) during  
18      which they are engaged in the actual perform-  
19      ance of duties of the Commission.

20           (B) PROHIBITION OF COMPENSATION OF  
21      FEDERAL EMPLOYEES.—Each member of the  
22      Commission who is a full-time officer or em-  
23      ployee of the United States may not receive ad-  
24      ditional pay, allowances, or benefits by reason  
25      of their service on the Commission.

1           (3) TRAVEL EXPENSES.—Each member of the  
2           Commission shall receive travel expenses, including  
3           per diem in lieu of subsistence, in accordance with  
4           sections 5702 and 5703 of title 5, United States  
5           Code.

6           (4) STAFF OF FEDERAL AGENCIES.—Upon re-  
7           quest of the Secretary, the head of any Federal de-  
8           partment or agency may detail, on a reimbursable  
9           basis, any of the personnel of that department or  
10          agency to the Commission to assist it in carrying out  
11          its duties under this subsection.

12          (5) OBTAINING OFFICIAL DATA.—The Commis-  
13          sion may secure directly from any department or  
14          agency of the United States information necessary  
15          to enable it to carry out this subsection. Upon re-  
16          quest of the Secretary, the head of that department  
17          or agency shall furnish that information to the Com-  
18          mission.

19          (6) MAILS.—The Commission may use the  
20          United States mails in the same manner and under  
21          the same conditions as other departments and agen-  
22          cies of the United States.

23          (7) ADMINISTRATIVE SUPPORT SERVICES.—  
24          Upon request of the Secretary, the Administrator of  
25          General Services shall provide to the Commission, on



1 a reimbursable basis, the administrative support  
2 services necessary for the Commission to carry out  
3 its responsibilities under this subsection.

4 (8) REPORT.—Within 2 years after the date of  
5 the enactment of this Act, the Secretary shall submit  
6 to the Congress a report that contains the findings  
7 of the Commission.

8 (9) TERMINATION OF COMMISSION.—The Com-  
9 mission shall terminate upon submission of the re-  
10 port required by paragraph (8).

11 **SEC. 705. SSI BENEFITS FOR DRUG AND ALCOHOL ADDICTS.**

12 (a) IN GENERAL.—Section 1614(a) (42 U.S.C.  
13 1382c(a)) is amended by adding at the end the following  
14 new paragraph:

15 “(5)(A) The Secretary shall identify all recipients of  
16 benefits under this title by reason of disability whose dis-  
17 ability is a result of addiction to illegal drugs.

18 “(B) The Secretary shall periodically, on a random  
19 basis, test each recipient identified under subparagraph  
20 (A) to determine whether the recipient is using illegal  
21 drugs.

22 “(C) Notwithstanding any other provision of this  
23 title, any individual who is determined under subpara-  
24 graph (B) to be using illegal drugs, or who refuses to sub-

1 mit to testing as provided for under subparagraph (B),  
 2 shall not be eligible for benefits under this title.”.

3 (b) REPRESENTATIVE PAYEE REFORMS.—

4 (1) AUTHORITY OF GOVERNMENT AGENCIES TO  
 5 BECOME PAID REPRESENTATIVE PAYEES.—Section  
 6 1631(a)(2)(D)(ii) (42 U.S.C. 1383(a)(2)(D)(ii)) is  
 7 amended by adding at the end the following: “The  
 8 term ‘qualified organization’ also includes any gov-  
 9 ernment agency that meets the requirements of  
 10 items (aa) and (bb) of subclause (II).”.

11 (2) MAXIMUM FEE PAYABLE TO REPRESENTA-  
 12 TIVE PAYEES.—Section 1631(a)(2)(D)(i) (42 U.S.C.  
 13 1383(a)(2)(D)(i)) is amended by striking “the lesser  
 14 of—” and all that follows and inserting “10 percent  
 15 of the monthly benefit involved.”.

16 **SEC. 706. STATE FRAUD CONTROL PROGRAMS.**

17 (a) FRAUD CONTROL PROGRAMS MADE MANDA-  
 18 TORY.—Section 402(a)(40) (42 U.S.C. 602(a)(40)) is  
 19 amended by striking “, if the State” through “the State  
 20 will” and inserting “that the State will establish and oper-  
 21 ate a fraud control program under section 416, will”.

22 (b) SANCTION FOR FRAUD MADE PERMANENT.—  
 23 Section 416(b) (42 U.S.C. 616(b)) is amended by striking  
 24 “(A) for period of” through the period at the end and in-

1 setting “permanently upon the occasion of any such of-  
2 fense.”.

3 (c) CONFORMING AMENDMENTS.—Section 416 (42  
4 U.S.C. 616) is amended—

5 (1) by amending subsection (a) to read as fol-  
6 lows:

7 “(a) Each State, in the administration of its State  
8 plan approved under section 402, shall establish and oper-  
9 ate a fraud control program in accordance with this sec-  
10 tion.”; and

11 (2) in subsection (f), by striking “which has  
12 elected to establish and operate a fraud control pro-  
13 gram under this section”.

14 (d) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-  
16 graph (2), the amendments made by this section  
17 shall take effect on the first day of the first fiscal  
18 year beginning after the date of the enactment of  
19 this Act.

20 (2) DELAY PERMITTED IF STATE LEGISLATION  
21 REQUIRED.—In the case of a State plan approved  
22 under section 402(a) of the Social Security Act  
23 which the Secretary of Health and Human Services  
24 determines requires State legislation (other than leg-  
25 islation appropriating funds) in order for the plan to

1 meet the additional requirements imposed by the  
2 amendments made by this section, the State plan  
3 shall not be regarded as failing to comply with the  
4 requirements of such section 402(a) solely on the  
5 basis of the failure of the plan to meet such addi-  
6 tional requirements before the end of the 2-year pe-  
7 riod that begins with the date of the enactment of  
8 this Act.

○